FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

JANUARY 1940

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The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there.*

The Editors.

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FOREIGN AFFAIRS

Vol. 18 JANUARY 1940 No. 2

CASH AND CARRY NEUTRALITY

By Allen W. Dulles

IN THE space of five years Congress has presented us with an almost equal number of versions of a neutrality policy. The most recent, though I hesitate to say the last, became law on November 4, 1939. With the important exception that it raised the arms embargo, the new law, known commonly as the Pittman Act, is far and away the most restrictive and the most isolationist of the series. The purpose of the Pittman Act is to keep the United States from becoming involved in the present European war for the causes which allegedly led us into war in 1917. Every other consideration has been subordinated to that one. Our legislators felt that their aim could be accomplished by keeping our ships, our goods, our money, our citizens, and last and most important of all, our prestige, out of the European war zones.

From the viewpoint of our traditional American policy, legislation of this nature represents (with the one exception of Jefferson's policy of embargo and non-intercourse) a new departure. True, the preamble to the present law states that the United States "waives none of its own rights or privileges, or those of any of its nationals, under international law" and expressly reserves all such rights. The law then proceeds, however, to make it a crime for citizens to exercise them. Writing in 1916, President Wilson insisted that the maintenance of the rights which we are now "holding in abeyance" involved "the honor and self-respect of the nation." The United States, he said, could not yield them without "virtual surrender of her independent position among the nations of the world."

Today the country is taking a very different view. In the last war we discovered that having once asserted rights, we might then be faced with the choice of surrendering them or going to

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war. When such an issue is put to us in that way by a belligerent, we, a proud and powerful country, have little choice. In 1917 we fought. On such an issue we would fight again. We therefore have now decided that we shall not permit ourselves to be faced with that particular dilemma. We may have other problems to meet, there may be other ways in which our national interests or prestige may be affected. But we have decided not to become involved through insistence on any rights to trade or travel.

We recognized that the abandonment of these rights involved serious sacrifices, but we have attempted to mitigate them. Many of the things that in the past we did directly we shall continue to do, but by proxy, as it were. Our trade will continue, but the purchaser must take the risk. American controlled ships may travel the seas if bearing another flag. The law, in other words, is designed to protect American prestige from outward offense rather than to effect a very vital change in our commercial relations with the rest of the world or even with the belligerents.

When early in 1939 there were unmistakable signs that war in Europe was imminent, the Administration made a somewhat belated effort to prepare the country for it — first, by urging a repeal of the arms embargo, and second by trying to reinstate and strengthen the cash and carry features of the 1937 law which were about to lapse. This effort failed when, later in the summer of 1939, the Senate refused to give consideration to the Administration's proposals. The refusal was due in part to the fact that a large section of the public and many members of Congress refused to share the Administration's apprehensions regarding the danger in Europe, and in part to the public's sentimental if rather vague attachment to the idea of an arms embargo.[1] Domestic politics — the desire of Republicans and conservative Democrats to block the President — also played a rôle.

In making the repeal of the arms embargo its chief objective, the Administration added to the inconsistency of its record over the past four years. State Department spokesmen and even the President himself, having reluctantly accepted the arms embargo in the 1935 Act, afterwards endorsed the idea as a desirable part of our neutrality policy. Indeed, the Administration had specifically favored the embargo in the Spanish civil war. And on Janu-

[1] For an analysis of the 1937 Neutrality Act, and a discussion of various suggested devices for maintaining peace by legislative means, see "Can America Stay Neutral?", by Allen W. Dulles and Hamilton Fish Armstrong (New York: Harpers, 1939).

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ary 3, 1936, the President in his annual message to Congress had said that as part of a consistent policy the United States declines "to encourage the prosecution of war by permitting belligerents to obtain arms, ammunition or implements of war from the United States." A few days later Secretary Hull, testifying before the Foreign Relations Committee, spoke approvingly of tightening up our neutrality by embargoing shipments of finished arms, ammunition and implements of war to any belligerent. At that moment attention was directed primarily to wars in Ethiopia, in Spain, and possibly in the Far East — wars where it seemed that American embargoes might promote the interest of peace or free the League of Nations from fear that the United States might intervene to nullify League efforts to make wars of aggression more difficult to wage. But whatever may have been the causes, and they were many, the outbreak of the European war in September 1939 found us with legislation on the statute books which imposed upon the President the duty to decree an arms embargo and which at the same time did not authorize him to put our trade on a cash and carry basis.

That legislation contained certain provisions which remain in the present law and which are of a more or less non-controversial character. Thus there was universal agreement on the principle that American citizens should not travel on belligerent vessels. The unanimity on this point is understandable when we review our diplomatic correspondence with Germany in the last war. Nine-tenths of our difficulties arose over the sinking of belligerent vessels and the consequent loss of American lives. Until we broke relations with Germany in February 1917 the loss of American vessels was negligible; and during that entire period of two and one-half years, only three American lives were lost as a result of submarine action against vessels carrying our flag. This happened when the *Gulflight* was torpedoed in 1915 — and the ship was approaching the coast of Britain under British patrol at the time. It was the *Lusitania*, and then the *Arabic* and the *Sussex* that involved us in the "strict accountability" correspondence which ended eventually in the break in relations with Germany.

When we abandon the right of travel on belligerent vessels we certainly seem to be taking out wise insurance. We give up very little that is of real value. Possibly we have gone unnecessarily far in making such travel a criminal offense. The simple statement

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that the traveller went at his own risk and specifically waived all right to American protection ought to have sufficed.

There also was general agreement upon the ban on financing for belligerent governments which appeared in the earlier as well as in the new law. This ban has now been strengthened by eliminating short-term credits of any nature. Money, Secretary Bryan said in 1914, was the worst of contrabands, because it commands everything else. But this position was soon reversed. Now Congress has given the Bryan position the sanction of law, and the Executive is not left the authority to modify it in any respect. After a somewhat feeble effort to retain some form of short credits as a desirable aid to normal commercial transactions, the Administration accepted the prohibition on all loans and credits to belligerent governments and their agencies, except renewals of existing indebtedness. The theory in permitting such renewals was that no new money would reach the belligerents.

Nevertheless the prohibition on loans is not watertight. Loans can still be made or credit extended to individuals or private companies in belligerent countries provided they are not acting for the government and provided the loan is not extended in connection with an American sale of munitions. Further, during the debate on the Pittman Act the question was raised, and never satisfactorily settled, as to whether any of the loaning agencies of the United States Government — the Export-Import Bank, for example — could extend loans to belligerents even though private individuals may not do so. This, however, would be a breach of the usual practise under international law. And although we have extended credits to China to help her in her undeclared war against Japan, our Government is not very likely, whether or not prevented by the Pittman Act, to give direct financial aid to any European belligerents.

However, in this connection it is interesting to note that at the recent Panama Conference, held to determine a common neutrality policy for the Americas, a resolution was adopted declaring that the Conference did not consider as "contrary to neutrality the granting of credits to belligerents for the acquisition" of foodstuffs, clothing and raw materials for peacetime industries, "whenever permitted by the domestic legislation of the neutral countries." Does this resolution open up the possibility that the United States Government might some day make loans to Britain or France (even though belligerents) to finance cotton, grain and

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other similar imports? The President once suggested that there are measures short of war but stronger than mere words which might be used in situations like the one that now confronts us.

Were it not for its effect on our relations with Canada, the ban on loans to belligerent governments could be accepted as an entirely wise precaution. If the war lasts any considerable length of time, the problem of Canadian financing may become perplexing, entirely apart from any consideration of Canadian loans for war purposes. Canada is one of our best peacetime customers and a growing country which needs new capital for the development of its natural resources. If the only manner in which it can obtain that capital in this market is by private as distinct from governmental borrowing, it may have to curtail its own development and at the same time cut down its normal purchases here of peacetime products. Further, certain early-maturing loans of the Canadian Government are held by American, Canadian, British and other investors. Whether the provisions of the neutrality legislation allowing a "renewal or adjustment" of existing indebtedness would permit the normal payments of these loans at maturity, out of the proceeds of new loans floated exclusively in the American market, is one of the many undetermined questions of interpretation under the Act.

The Pittman Act contains other non-contentious provisions carried over in large part from earlier measures. Among them is the provision giving the Executive the right to regulate the use of our ports by armed merchantmen and submarines. Restrictions on submarines have already been imposed. The armed merchantmen question, however, remains a perplexing one. It is continually brought to our attention by pictures of large merchant vessels mounting substantial guns arriving in the port of New York.

Some indication of the attitude of the Administration toward armed merchantmen is to be found in the final act of the recent Panama Conference. The "General Declaration of Neutrality of the American Republics" — an extremely significant document as reflecting the present views of the United States and the other nations of the Hemisphere with regard to belligerent and neutral rights — provided that the various signatory states "shall not assimilate to warships belligerent armed merchant vessels if they do not carry more than four 6-inch guns mounted on the stern, and their lateral decks are not reinforced, and if, in the

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judgment of the local authorities, there do not exist other circumstances which reveal that the merchant vessels can be used for offensive purposes." Now four 6-inch guns form a very substantial armament, and all that an ordinary merchant vessel could very well mount. The declaration would seem to commit us to continue to receive armed merchantmen in our ports as we did throughout the last war. Nor would such a position be inconsistent with the attitude taken in 1928 when the American Delegation in signing (and the Senate in ratifying) the Havana Convention on Maritime Neutrality refused to accept the clause which assimilated armed merchantmen to warships. Incidentally, under the present law our own merchantmen are not to be armed.

The Pittman Act also includes the earlier provisions for a Munitions Control Board, the registration of arms manufacturers and the licensing of the export of arms. It also contains regulations for the collection of funds for belligerent charities, as well as other technical provisions which do not call for special comment.

So much, then, for the less controversial features of the present law, as carried forward with little change from previous legislation.

The arms embargo, which first appeared in the 1935 Act, has gone by the board after a checkered career. Whether or not it should be repealed was the central point of the Congressional debate. Was repeal the first step on the road to war? Was it a violation of our duties as a neutral? The opposition contended, in hundreds of thousands of words, that it was. Or was it merely a return to our traditional policy, sanctioned by international law? Was it a step toward the preservation of our own interests and the reëstablishment of peace in the world by furnishing proper aid and comfort to Powers attacked by more heavily armed antagonists? Such was the answer, in an equal flow of oratory, given by the proponents of repeal. History will give the final answer. All one can say now is that the majority of Congress, undoubtedly reflecting the views of a majority of the people, concluded that the interests of the United States would be served if in the present European war any belligerent (which in practical fact meant Britain and France) were permitted to buy our munitions (particularly airplanes) on the same basis that they might buy our other exports.

Some of our Senators and Representatives faced the issue clearly. Others tried to justify the proposed action on the ground

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that we ought to return to our traditional policy. Such had been the burden of the President's message to Congress asking the repeal of the Act. "Repeal of the embargo and a return to international law are the crux of this issue," he said. To this argument the obvious answer is that the new law, viewed as a whole, is a retreat from, rather than a return to, international law. Repeal of the arms embargo is practically the only feature of it which involves a reversion to our traditional policy. In any event, the country understood quite clearly what the issue was and sympathized wholeheartedly with the idea that Britain and France should not be deprived of their advantage as sea Powers to come here and buy what they could. Public opinion was unanimous in the desire to do nothing which might involve us in war; but there was reluctance to assume the responsibility of withholding aid which could properly be given to the democracies. Since the American people are far from impartial in their thoughts, they were not particularly worried by the idea that the new legislation would not work out in an entirely impartial manner owing to circumstances (British supremacy on the seas) which the United States did not create and over which it does not have any control.

The other aspect of the debate — namely, whether under the accepted principles of international law the United States was violating its duties as a neutral by raising the embargo after the outbreak of war — was too subtle to interest the people generally. It was argued chiefly among international lawyers. Even Congress rather shied away from this particular issue. Legislators are always reluctant to admit that they are impotent to legislate. Furthermore, it was hard for those who attacked repeal as "unneutral" to explain satisfactorily how, once war had started, we could impose entirely new restrictions on our trade and commerce by adopting cash and carry provisions and defining prohibited zones of combat — all of which worked to the detriment of Great Britain and France — and yet could not make a change like raising the embargo. Nobody, of course, was willing to accept the thesis that the United States never could make any change in its neutrality legislation once a war had begun. Even the most rigid conception of international law would not support that sort of doctrine.

The legalistic opponents of modifying the embargo were finally forced to adopt the theory that if our motive was pure, *i.e.*, purely selfish, and in no way related to a desire to advance the

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cause of one belligerent or the other, but sprang exclusively from a regard for our own domestic welfare, then a change in the neutrality law was permissible, even after war had broken out. On the other hand, if the motive for the change was to aid a belligerent, then the change was improper and might even entail eventual claims for damage by the injured belligerent. In any event, Congress took its courage in its hands and maintained its right to change the law as and when it wanted. And in the preamble it expressly reserved "the right to repeal, change or modify" the new legislation "in the interests of the peace, security or welfare of the United States and its people." [2]

While the embargo argument was raging in Congress, a proposal was made by Ex-President Hoover and seconded by Colonel Lindbergh in the nature of a compromise. Offensive arms should be embargoed, defensive arms should be freely exported. The idea found hardly an echo in Congress. The task of defining what would constitute arms, ammunition and implements of war was difficult enough already, and Congress did not wish to decide, or even leave to the Executive to decide, what arms had a "humanitarian" purpose. It was hard to get away from the fact that the real test is the use to which a particular arm is put rather than the particular form it is given at the factory. Concrete and mortar fortifications, well behind one's own frontier, together with their fixed armament and anti-aircraft defense — provided this armament really is not movable — constitute, perhaps, the only truly defensive arms. If the present war proves that such defensive fortifications, adequately manned, can resist the offensive arms which may be brought against them, then we will have made a real step forward in developing a strategy of peace.

The main structure of our new neutrality policy is built of the cash and carry provisions. There was something about the very name, familiar from grocery store practice, which appealed to the American people. It sounded simple. But actually it will not prove easy to apply in such an intricate field as foreign trade. We shall need to show a good deal of ingenuity in accommodating our com-

[2] Those who voted to keep the embargo, which operated chiefly against Britain and France, forgot that most of our tin (and in August 1939 the United States possessed only a few weeks' normal supply), rubber, nickel and chromium, as well as much of our manganese, came from the British Empire. Now Britain, engaged in war, would not be likely to answer embargo with embargo. We nevertheless have every motive, entirely apart from considerations arising out of war, to keep our trade relations with the British Empire on a normal basis and not ourselves to initiate embargo legislation.

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mercial transactions to the cash features of the Act. Goods are likely to pile up on our docks while shippers anxiously wait for the cash that will permit them to sign the affidavits of change of ownership. Our whole commercial and banking machinery for carrying on an export trade is built so largely on a credit basis that time will be needed to make the necessary readjustments. However, now that we have ventured thus far with a "noble experiment" we shall have to make the best of it.

Several unique problems have already arisen under cash and carry. An American businessman who was off for Europe by *Clipper* decided to send his heavier luggage by boat. When he went to arrange for its shipment, he was advised by the Customs authorities that as far as they could see he would have to transfer title of his baggage, clothing and personal effects to a foreign owner before it could be shipped to France. As the person in question had not incorporated himself in the form of a foreign subsidiary, which might have enabled him to transfer the title of his personal effects without losing them, he had to be rescued by a general regulation issued by the State Department to meet such situations. Another curious result of the technical operation of cash and carry is found in the delivery of airplanes. If they are dismantled and crated and if title has been transferred, they can, of course, go like any other arms; but if they are to be flown across our boundary for delivery in Canada real difficulties are encountered. Some annoying questions might be raised if airplanes were allowed to be flown from American to belligerent soil after a belligerent had taken title. At any rate, the *Alabama* award was made on the basis of a somewhat similar action by the British in allowing a Confederate raider to sail from a British port; also our own criminal statutes relating to neutrality might come into question. On the other hand, arms cannot be delivered from the United States to a belligerent, including Canada, unless title has passed. Therefore, they cannot be flown to Canada while they still are owned by the American manufacturer. To meet this dilemma the somewhat ridiculous expedient has been worked out of taking the planes to a level field on the border where they can be pushed across, coincident with the passing of title. If this proves to be the only procedure permitted, bombing planes cannot be sold in this country to be flown directly for delivery to any belligerent.

The British and French Governments naturally welcomed the

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raising of the embargo and the passage of the Neutrality Act in its revised form — even including, as it did, cash and carry. For them it had great psychological significance. But when historians turn back to analyze the effect of this legislation upon British and French fortunes, they well may find that the disadvantages for those countries on the whole outweighed the advantages. Cash and carry and the establishment of zones of combat operations are, in effect, an American invitation to Germany to sink on sight any merchant vessel which approaches England and France. The other neutral states which send their vessels through the war zones will probably receive short shrift, for Germany will be much less exercised about angering them than she would have been about angering us and risking a new American intervention. While our policy will make it easier for the British to carry out their blockade of Germany, since there will be little danger of protest from us, it will, on the other hand, greatly facilitate Germany's submarine campaign and other naval and air operations in the North Sea, the Channel, and the Bay of Biscay. The reality of this new danger to neutrals and to British sea patrols is borne out by the recent sowing of mines in the lanes of commerce surrounding the British Isles. Germany timed this action, be it noted, after the passage of our neutrality legislation. It is closely analagous to the unrestricted submarine warfare which Germany started in February 1917. This may be a "strange" war; but in many respects it is starting where the last war left off. We have promptly taken action to see that vessels under our flag are not again exposed to risks in those waters. But the Scandinavians, the Dutch, the Italians, the Belgians and others are left to reap the disagreeable results of our allegedly temporary waiving of neutral rights under international law. One may speculate whether Germany would have dared take such violent and reckless steps against neutral shipping if American vessels were still involved.

The cash and carry provisions alone would not have prevented American vessels from going directly to any neutral ports, even if that would have involved passing through the present areas of sea warfare. The President was authorized to stop up this loophole. He therefore has now defined as zones of combat operations all the waters surrounding the British Isles and France from the northern coast of Spain in the south to Bergen in Norway on the north, and far enough out into the Atlantic to include (much to its disgust) Eire, the still neutral member of the British Com-

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monwealth. American vessels cannot enter this forbidden zone and American citizens cannot cross it except by permission from Washington. Failing to obtain such permission, an American in the British Isles would be forced to remain there for the duration of the war.

No American vessel can now touch at any French or British port in the North Atlantic or the Mediterranean; but an American vessel that must pass to the north of the British Isles is quite free to go on to Bergen with any cargo, including arms and ammunition. With knifelike precision we have endeavored to say that one wave is dangerous for our shipping, and that the next wave is safe. And there may be complications with the British. What if they should desire to examine the cargo of an American vessel bound for Bergen and should force it to enter the combat zone that surrounds Britain? The captain of that vessel might have to face the fire of British guns or be guilty of an involuntary crime by taking his boat into forbidden waters. It is a real question as to whether, as the war goes on, the exigencies of a British blockade can be reconciled with the theories of the zone of combat operations.[3]

Adoption of cash and carry and the establishment of combat zones obviously penalize our merchant marine seriously and increase the difficulty of building up American shipping. To operate under American laws is already more costly than under the laws of other countries, and our Government has not been consistent in offering compensating advantages sufficient to justify private American capital in entering shipping enterprises on any great scale. Despite this, there has been a marked improvement in our position since 1914. Then only 93 ships of over 2,000 tons, aggregating about 550,000 tons in all, were engaged under the American flag in overseas foreign trade (that is, exclusive of trade in the Caribbean area). On the recent outbreak of war there were 326 such vessels, totaling approximately 2,150,000 tons. In other words, in 25 years our overseas foreign tonnage had increased approximately fourfold.

With the adoption of the Pittman Act as expressing our national policy in time of war there will naturally be less incentive in the future to build ships and place them under the American

[3] The difficulty may in part be avoided by the system called "Navicert," under which the British agree to examine and certify the non-contraband cargoes of vessels before they clear for neutral ports.

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flag. This certainly will be the case unless measures are promptly taken to compensate the shipowners and provide other work for the crews. It is easy enough to say that our ships should be diverted temporarily to South American or other trade routes far from the scene of war. Building up new shipping connections is a slow and arduous task; it cannot be done overnight. And the services we have now abandoned will not be restored overnight either.

When the initial excitement caused by the ill-timed proposal to transfer a part of our merchant marine to foreign registry has subsided, we probably shall find that a number of our ships will be permitted to sail under other flags, even though that may involve their entering belligerent areas and even though they may risk the loss of certain privileges, for example the right to engage in our coastwise trade if later they return to our flag. If the Administration continues to refuse to permit transfer to the flag of Panama or some other American republic, on the ground that we should not encourage other states in this Hemisphere to do what we are refusing to do, then the ships may be transferred to a Scandinavian or even the Irish flag. There are countries which, if they are to live, must trade, despite the dangers of submarines and floating mines.

It is difficult for the writer to become very indignant at this alleged "evasion" of the law. Running right through the law there is something in the nature of a subterfuge. The whole idea of the legislation is to permit us to continue our normal trade and commerce so far as we can do so safely, but to change the outward form of it so that if there are any incidents our national honor and prestige will not be involved. An American-owned ship, transferred to foreign registry, flying a foreign flag, and manned by an exclusively foreign crew, would not be the object of much sentimental American interest if she got into trouble.

Other interesting problems arise in connection with transfers of registry. For example, must one belligerent recognize a transfer from the registry of an opposing belligerent to a neutral? There have been rumors from time to time that the *Bremen*, which sought refuge at Murmansk, was to be transferred to Russian registry, and that German vessels in South American ports would be purchased for the merchant marines of various South American countries. The international law involved is far from clear. In the century prior to 1914 during which the British were the great

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neutral maritime Power, they were rather inclined to favor bona fide transfers where the belligerent retained no right, title or interest in the ship. As belligerents, however, their policy has changed; they now tend to adopt the French view that such a change of registry need not be recognized. The test case in the last war was that of the *Dacia*, a German cargo vessel tied up in one of our southern ports, which was purchased by American interests, loaded with cotton and sent off to Europe. After some hesitation and many consultations between London and Paris (and following a hint given by Ambassador Page in London), the job of seizing the ship was turned over to the French Navy. In due course she was condemned as good prize in a French Court.

In so far as the United States has any policy in the matter, it is expressed in one of the resolutions of the Panama Conference to the effect that the American states "shall consider as lawful the transfer of the flag of a merchant vessel to that of any American Republic provided such transfer is made in good faith, without agreement for resale to the vendor, and that it takes place in the waters of an American Republic."

Today no neutral purchaser is likely to risk the investment involved in buying German ships without the consent of Great Britain and France, unless he is prepared to gamble on the length of the war and keep the ship tied up until peace releases it, or unless he can use it within territorial or safe waters. The last war demonstrated some of the strange quirks that can happen to shipping in wartime. Thus, even after the United States became a belligerent it very nearly consummated an arrangement whereby it was to buy some vessels in South American ports from their German owners, even though Germany knew at the time that the vessels would be used to transport American troops to France to fight her. Strange as it may seem, the bargain would have been a good one from the German point of view, as many of the South American countries entered the war, seized the German ships and paid no compensation to the German owners.

When our legislators decided, in principle, to prevent our ships from going to any belligerent countries, they apparently forgot that the whole British Empire (with the single exception of Eire) was at war, and that to keep our ships from all the ports of the far-flung Empire would bar them from the greater part of the seven seas. Hence the first draft of the bill had quickly to be amended to permit our ships to go to belligerent countries except

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in the North Atlantic and Mediterranean areas; but they cannot take arms or ammunition to belligerent countries, even outside of the barred zone. In writing this exception into the Act, Congress, of course, tacitly admitted that the law they were passing was a law only for a war involving the British Empire. Many of the provisions would be totally meaningless in any other war. For the moment, also, the Far Eastern situation was largely forgotten. In forbidding our ships to carry arms to British and French ports in the Pacific, we also prevented ourselves from sending arms to China unless we could find other than American vessels to take them. The sole gates to Nationalist China today are French Indo-China and Burma, apart from the tenuous air connection from Hong Kong to Chungking and the caravan route from Russia.

All of which only goes to show how difficult it is to frame a general neutrality policy which will coincide with American interests both in the Atlantic and the Pacific at even a single moment, let alone in perpetuity as some of our legislators would like. In the Atlantic we want a policy which will favor the sea Powers as against the land Powers. In the Pacific the situation is reversed. There our interests lie in the direction of strengthening China as against the sea power of Japan. Here is a gulf that the subtleties of legislative draftsmanship cannot bridge. Of course, the Pittman Act is not likely to be applied in a war in the Pacific, — as its authors may have realized. For unlike the law which it replaced, it need not be invoked unless the President or Congress finds, when some war breaks out, that this is necessary in order "to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States."

Acceptance of this provision meant that the long battle between Congress and the President over the extent of Executive discretion in determining whether and when to bring neutrality legislation into effect had ended in a compromise. But on the whole the compromise is one which favors the Executive. The President is under no duty to invoke the law unless, broadly speaking, he finds that it is in the interest of the country to do so. If the President fails to act, and Congress feels that the law should be applied, it can so find by concurrent resolution. Then the President is forced to issue the proclamation bringing the substantive provisions of the law into effect. This is a novel procedure and one which gives constitutional lawyers something

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to ponder over. Is the determination of a state of war between foreign states a function which may properly be delegated by the Executive to Congress? May the determination be made by a concurrent resolution which requires no Executive approval and gives no chance for a veto? Since President Roosevelt promptly issued the proclamation prescribed by the Pittman Act these questions are academic for the moment. But another President might well raise them in another crisis.

The major part of our neutrality effort, as described above, is devoted to keeping American goods, American citizens, American money and American passions out of European war zones. But there has been a parallel attempt to keep the war from the shores of the Americas. This was one of the main purposes of the Panama Conference which met at the end of September 1939. Some of its very significant decisions have already been cited. The Conference hoped to establish a common neutrality policy for this Hemisphere (omitting, of course, Canada, a belligerent), and to serve notice on the European Powers that they should not bring their war across the Atlantic. Adopting language which was a paraphrase of Jefferson's words of a century ago, the Conference said that "there can be no justification for the interests of the belligerents to prevail over the rights of neutrals," and that "as a measure of continental self-protection" the neutral American Republics "are as of inherent right entitled to have those waters adjacent to the American continent . . . free from the commission of any hostile act by any non-American belligerent nation." The delegates then proceeded to lay out a broad band of ocean surrounding the entire North and South American Continents south of the Canadian border, and extending from 300 to 600 miles to sea, and to state that within its limits no hostile act should be committed. They determined, furthermore, that if the need arises the American Republics might undertake to patrol the area so defined.

This declaration was received with very mixed feelings in the United States. Was there an implied suggestion that we should use our fleet to patrol this vast area? Did it mean that Germany could take her idle ships out of South American ports and trade between North and South America, protected by this new zone of territorial waters? And having asserted a right of this nature for the Americas, would we recognize a similar extension of territorial waters by other countries?

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To meet some of these apprehensions the State Department quickly made clear that the United States had assumed no obligation to institute a patrol and that there was no suggestion of an undertaking to exercise force in order to procure observance of the neutral zone. The President of Panama was to notify the belligerents and, presumably, learn their views. As yet there is no word as to the nature of their replies. But Great Britain promptly issued a statement of general policy which significantly concluded: "The width of the general belt of territorial waters is now widely accepted as being three miles. Great Britain, in common with many other countries, has long refused to recognize claims to a territorial belt of great width." The statement does not specifically mention the point, but the difficulty of Britain's accepting any such neutral zone must have been increased by the fact that British islands are dotted all over the area and that some of them contain naval bases of a sort. The statement further pointed out that when Britain had agreed with us by treaty to permit the search of rum runners at a distance of one hour's steaming from the coast, we formally reaffirmed our adherence to the three-mile limit.

Canada presents special problems in connection with the task of keeping the war from the Americas. She is an American state, she is at war with Germany, and she is likely to be a major source of supplies for the British, both directly and as a point of transshipment from the United States. By an exception in the Pittman Act, American supplies can go over land or lake routes to Canada without any transfer of title (except in the case of arms). Further, if the war continues, Canada is likely to become the training ground for British as well as Dominion aviators.

Until recently, at least, the principles of the Monroe Doctrine were never specifically applied to our northern neighbor. But a little over a year ago President Roosevelt declared that "the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other Empire." And he reaffirmed this stand even after Canada had entered the war. Certainly this expresses the view of our people, and any attempt by European or Asiatic Powers to impair or even put in peril the independence or territorial integrity of Canada would be viewed in the United States as no less a cause for war than would a similar attempt against a Latin American state. True, we have become a kind of guarantor of one of the belligerents. But while

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this is an anomalous situation, it does not justify Colonel Lindbergh's suggestion that because she happens to be next door to us Canada had no business to go to war. Canada has never sought from us any guarantee of protection, or surrendered any part of her freedom to engage in such wars as she may choose. Our announcements about the nature of our relations to Canada were made primarily in our own interest, not hers.

Geographical isolation may for a time at least save the Western Hemisphere from having to face serious complications due to the wars in Europe and Asia. But we must realize that there are problems which no cash and carry neutrality and no other self-denying ordinances or restrictions on our own behavior will suffice to meet. We have gone very far in seeking refuge from the storm. We cannot insure ourselves against its coming to our shores. The most that we can hope for from legislation such as we have adopted is relative freedom from incidents affecting our prestige and arousing our feelings. We have determined that some of our rights had best be held in abeyance and that some of our interests had best yield to a larger interest. In this way we hope to gain a poise of mind and a calmness of judgment that will help us to determine wisely how to conduct our day-by-day foreign policy in such troublous times.

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FROM BREST-LITOVSK TO BREST-LITOVSK

By John W. Wheeler-Bennett

THERE is something fascinating, and at the same time almost frightening, in the completeness of the pattern woven by the Fates about the two sets of Russo-German negotiations which took place at Brest-Litovsk twenty years apart, in 1918 and now again in 1939. Almost all the elements of great drama are presented — tragedy and betrayal, irony and fleeting sardonic wit, and the inevitable Nemesis of knaves. There lacks, however, the crowning glory of a third act in which virtue is rewarded. For the element of virtue was ever absent from Brest.

They met at Brest-Litovsk in that gloomy December of 1917 — defeated Russia, exhausted Austria, hectoring, self-assured Germany. And from their discussions was born a treaty unequalled in modern times for its unashamed brutality, yet which, with the exception of the Treaty of Versailles, has had consequences and repercussions more important and far-reaching than any other peace settlement since the Congress of Vienna; a treaty which is affecting the course of events in Europe at the very moment of writing, and of which the ultimate results still remain among the unpredictables.

When the representatives of Bolshevik Russia first faced the delegates of the Central Powers across the conference table they did so with the foreknowledge of diplomatic defeat and the hope of world revolution. Old Russia had died and the new Soviet State was yet a-borning. The military might of the Hapsburg and Hohenzollern Empires was apparently at its peak. Only the greater power of an awakened proletariat could bring it down. Toward this end the Bolsheviks unsuccessfully geared their tactics. Delay, exasperation, and interminable conversation were their only weapons. Yet, in the hands of such master procrastinators as Joffe and Trotsky, this armory was not to be despised. Pitted against the diplomatic genius of Central Europe, the Bolsheviks gave a good account of themselves, matching cunning with cunning, and prevarication with prevarication.

For Germany the vital necessity was a speedy peace which should conclude the war on the Eastern Front and release all

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available military forces for concentration against England and France. A war on two fronts, even against a defeated Russia, was no longer considered strategically possible. The supreme and final effort must be made in the West. To this end Germany had facilitated the return of Lenin in the famous "sealed train," in order that he and his colleagues might undermine the political structure of Russia from within, and, by promoting chaos, bring the desired goal of a separate peace appreciably closer.

But Germany had her ambitions also. Peace with Russia she must have, but at her own price and on her own terms. Russia lay prostrate before her; within her grasp were the occupied provinces of the Baltic, and the newly proclaimed Kingdom of Poland, ready to be erected into semi-independent states subject to German domination. Before the enchanted gaze of Hindenburg and Ludendorff stretched the fertile lands of the Ukraine, the oil and grain of the Caucasus and of Rumania. Higher still ambition vaulted; not only should Russia be encircled by a chain of German dependencies, but she should herself be partitioned and thereby eliminated as a political threat to Germany.

But above all, the *raison d'être* for this policy of naked brigandage was declared to be the destruction of Bolshevism in non-Russian lands. The advance of the German armies in February 1918, which preceded the final Soviet capitulation, was declared to be in the interests of civilization and against the Bolsheviks. They were coming, announced the commander in chief, as saviors not as conquerors, sworn to put down the tyranny "which has raised its bloody hand against your best people, as well as against the Poles, Lithuanians, Letts and Estonians."

The avowed object of Germany in 1918, therefore, was to restore the ancient Kingdom of Poland and to protect Lithuania and the Baltic States against the horrors of Bolshevism. It was under this guise that she dictated the Treaty of Brest-Litovsk on March 3, 1918, whereby Russia acknowledged the loss of all the above territories to Germany, and of the districts of Kars, Batum and Ardahan to Turkey; in addition she recognized the independence of Finland, the Ukraine and Georgia. It was with this declared aim that Germany cut off Russia completely from the Black Sea and very nearly from the Baltic also.

Yet even as the Bolsheviks placed their reluctant signatures to this brigands' peace — which Adolf Hitler was later to describe as "immensely humane" — the first slight whisper of Nemesis

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could be discerned: "It is your day now," cried Karl Radek in the indignant face of General Hoffmann, "but in the end the Allies will put a Brest-Litovsk treaty upon you" — and, he might have added, not only the Allies.

In little more than a year Radek's prophecy had been fulfilled.

The armistice on the Eastern Front was signed at Brest-Litovsk on December 15, 1917. The Central Powers signed a separate treaty of peace there with the Ukraine on February 9, 1918. After further negotiations, they signed a treaty of peace with Soviet Russia on March 3, 1918. In the meantime, German troops were occupying much of western and southern Russia (as indicated above); and these remained there until Germany had been forced to accept an armistice on the Western Front. The Treaties of Brest-Litovsk were abrogated in the Treaty of Versailles.

The germ of Bolshevism, which Germany had helped introduce into the body politic of Russia, was destined to infect the blood stream of Germany also. It worked with terrible rapidity, and the internal collapse on the German home front which followed — and did not precede — the final defeats in the field, was directly

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attributable to the influence of Moscow. The proud empires of the Hohenzollerns and the Hapsburgs disintegrated in the revolutions of 1918, and the Treaty of Versailles sealed the humiliation of Germany. Harsh and Draconian though it was, however, and pregnant with the seeds of future war, the Treaty of Versailles

The present lines of demarcation of Bohemia-Moravia, Slovakia and Poland within the new Greater Germany are not shown on this map as they have small practical significance. That part of the former Czecho-Slovak Republic lying southeast of the present frontier of Greater Germany has been annexed by Hungary. The district of Vilna in northeast Poland was turned over to Lithuania by the Soviet Government in October 1939. The so-called "Curzon Line" of December 1919 was never put into effect due to the Russo-Polish War of 1920.

was in no way comparable in severity with the Treaties of Brest-Litovsk and Bucharest. Nor was it in any sense as unjust a peace as the Central Powers would have imposed on the Allies had the rôles been reversed. The terms forced upon Russia and Rumania were mild to those which would have been dictated by Germany

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in Paris or London, as witness the revealing remark of a German staff officer in reply to the protests of the Rumanian delegation. "A *harsh* peace," he said, "you call it a *harsh* peace? Just wait till you see what we are preparing for France and England!"

It was in these days of dark despair in Germany which followed the ratification of the Treaty of Versailles that the germ of a strange rapprochement was engendered. In the shifting of power which followed the collapse of the monarchies of Central Europe, Germany and Russia found themselves drawn together as outlaws, and as a result of this involuntary juxtaposition there followed an almost inevitable liaison between the German and Soviet General Staffs.

This was largely the child of General Hans von Seeckt, the creator of the Reichswehr, and was one of the strangest anomalies of the Weimar period. Immediately following the war, the military leaders of Germany were sharply divided on the Bolshevik issue. General Hoffmann, who had been an eyewitness of the German Revolution, and knew too well the devastating effects of Bolshevik propaganda upon his own troops, regarded Moscow as the root of all evil, and advocated the sinking of differences between Germany and the Allies in a crusade against a common enemy. The possible results of such a policy are worth consideration, for, had Germany been allowed to exploit Russia from the outset, it is improbable that she would have reached that state of desperation which made National Socialism an almost inevitable evil. General Gröner also had seen Bolshevism at first hand during his service as Chief of Staff in the Ukraine after the Treaty of Brest, and viewed both it and its works with fear and repugnance.

General von Seeckt, too, had served on the Eastern Front — had he not been the hero of the "break-through" at Gorlice in May 1915, for which Falkenhayn took the credit? But he had fought the Tsarist armies and not the Bolsheviks. He knew the Russians to be good fighters, whether they were well or badly led, and saw in the new Red Army something which, properly handled, could be made a valuable instrument for his policy. Germany, he argued, had been virtually ostracized from the European society of nations and must needs, therefore, consort with the other outlaw, the Soviet Union. Moreover, the U.S.S.R. was the one state which was friendly to Germany, unfettered by the Treaty of Versailles and possessed of full liberty to manu-

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facture and use those categories of weapons and military equipment which that treaty forbade to the Reichswehr. On the other hand, the Red Army only lacked that experience and discipline which German training could impart to make it a very considerable factor in Germany's future policies. Admittedly, the Soviet Union was a dangerous ally, but she was better at that juncture than no ally at all.

Thus, in two short years, the animosities engendered at Brest-Litovsk were forgotten and the liaison with Russia became the keystone of the new policy of the German Army. Seeckt first propounded the idea to his staff and collaborators as early as February 1920, during the outcry against the surrender to the Allies of the Kaiser and the other so-called "war criminals" of Germany. Seeckt informed his lieutenants, in terms which are today significant, that if the Government of the Reich consented to hand over the leaders of the Old Army, the Reichswehr must oppose it by every means in its power, even if such action entailed the reopening of hostilities. In this case the German troops in the West would retire fighting, step by step, to defensive positions behind the line of the Weser and the Elbe. But in the East they would launch an offensive across Poland, join hands with the Red Army, and, having crushed the Poles, would march westward to meet the French and British.

These desperate measures of Seeckt's never materialized, since the Allies did not press the issue of surrender, but in them lay the germ of that threatened "Red Army on the Rhine" with which the Reichswehr was to make such play in future years. Moreover, Seeckt found in Baron von Maltzan, head of the Eastern Department of the German Foreign Office, a ready ally. Between them they so worked upon Walter Rathenau that the Treaty of Rapallo, signed with the Soviet Union during the Genoa Conference in April 1922, set the official seal upon the unofficial relations which had already existed between the two General Staffs. The treaty was complemented by a secret military agreement which enabled Seeckt to send each year to Russia a certain number of officers to act as instructors for the Red Army, and a further number to gain all possible experience in the handling of heavy artillery, tanks, armored cars and other weapons forbidden to Germany under the Treaty of Versailles. The German Nationalist Party warmly endorsed Seeckt's views as an alternative and corrective to Stresemann's policy of conciliation

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to the Allied Powers; and Count Brockdorff-Rantzau, the first German Ambassador to Moscow following Count Mirbach's assassination after Brest-Litovsk, was among the most able and fierce opponents of Locarno and a correspondingly enthusiastic supporter of the Reichswehr policies. The greatest triumph of this school of thought was its ability to persuade Stresemann to conclude with the Soviet Union a treaty of neutrality and non-aggression after the premature and unsuccessful attempt to admit Germany to the League of Nations in March 1926.

This strange *mariage de convenance* continued with considerable felicity for eleven years and only terminated in abrupt divorce with the advent of Adolf Hitler. But throughout this period the German General Staff was actuated by pure expediency. No accusation of pro-Bolshevism could be levelled against them; they treated with the Soviet Union on a purely technical basis, yet maintained a stern watch on any possible infiltration of Communist doctrines into the ranks of the army.

With the downfall of the Weimar Republic in January 1933, and the foundation of the Third Reich, a change in Soviet-German relations was not unexpected, partly owing to the fact that a clandestine circumvention of the military clauses of the Treaty of Versailles was no longer necessary and partly because of the very definite attitude of Adolf Hitler and the Nazi Party to Bolshevism and the Soviet Union. Basing his policy on his own declared thesis of "Mein Kampf" and the complementary doctrines of Alfred Rosenberg, the Fuehrer proclaimed a deathless war against Communism and a return to the imperialistic designs of Ludendorff at Brest-Litovsk regarding a *Lebensraum* for Germany in the Baltic Lands and the Ukraine.

There followed the period of the Russian "Return to Europe," in an effort to counterbalance the growing Nazi menace. The recognition of the Soviet Union by two members of the Little Entente (Rumania and Czecho-Slovakia) in 1934, the Soviet entry into the League of Nations later in the same year, and finally the Soviet treaties of alliance with France and Czecho-Slovakia in 1935 were gradations in the schemes of Barthou and Laval to build up a European system which should present a united front against the growing aggression of Nazi Germany. These moves found their counterpart in the formation of an anti-Comintern Pact whereby, first Germany and Japan in November 1936, and later Italy, Spain, Manchukuo and Hungary, com-

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bined to resist the insidious forces of the Communist International.

In these years (1933–38) hundreds in Germany were imprisoned and many executed on a charge of "Communism," while in Russia an even greater number met their deaths on the accusation of "Fascist" sympathies. At no point in German-Russian relations could there have been a more complete divergence of ideological doctrines, at no time could the chances of a political rapprochement have been less apparent.

Yet throughout these same years there were those in both countries who sought to bring about just such a rapprochement. One element in the German General Staff still hankered after the good old days of the Seeckt liaison, and it was on this point, among others, that Seeckt's successor, General von Hammerstein-Equord, fell out with Hitler and retired in 1934. Nor was this factor entirely absent from the quarrel between General von Fritsch and the Fuehrer four years later. In Russia it was found necessary to purge from the military machine Marshal Tukhachevsky and six of his more brilliant general officers, who sought to reëstablish a closer relationship with their "opposite numbers" in Germany.[1] And during the mysterious Moscow treason trials of 1936–38, members of the Old Bolshevik Party, including Karl Radek, pleaded guilty to charges which included the wish to buy peace with Germany and Japan at the price of the cession of the Ukraine to the first and the Maritime Province to the second.

It was not, however, until after the Czech crisis of September 1938 that a material change occurred in Soviet foreign policy. Up to that time, the guiding hand of Litvinov had directed Russian influence in favor of collective security and united action. After the rebuff of Munich, when Russia was excluded from the discussions which partitioned a state with whom she was in technical alliance, Stalin withdrew to his tent and awaited the inevitable approach of war which would place him in the strategic position of being courted by both sides.

He had not long to wait. The annexation of Bohemia and Moravia in March 1939 destroyed the last flickering hopes in London and Paris of reaching an agreement with Germany by the way of appeasement and laid bare the necessity of preparing on a grand scale for the approaching showdown. Great Britain

[1] See Balticus: "The Russian Mystery: Behind the Tukhachevsky Plot," FOREIGN AFFAIRS, October 1937.

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and France endeavored by their guarantees to Poland and other threatened states to build up a "peace bloc" which should deter Nazi Germany from further aggression; and in their efforts to buttress this formation they sought Soviet coöperation.

Stalin's price was high. He demanded a free hand in the Baltic States, cloaked under the guise of a "guarantee." The states concerned recoiled from such a protective power and sought refuge in treaties of non-aggression with Germany and in pronouncements of neutrality. At the same time, Poland and Rumania, for whom Russian assistance was sought, refused to countenance the passage of Red troops through their territory, knowing full well that the slogan of Joseph Stalin was akin to that of Surtees' celebrated Mr. Jorrocks: "Where I dines, I sleeps." The negotiations for an Anglo-French-Soviet Pact reached an impasse, and Stalin turned an ear to other offers.

It is not yet possible to state at what point the decision to conclude a Nazi-Soviet entente was reached, but there is evidence to show that tentative advances of increasing warmth had been in process since the beginning of 1939. The early approaches were abortive, but after the annexation of Bohemia and Moravia, it would appear, the course of the negotiations began to run more smoothly. Litvinov, the Soviet apostle of collective security, "resigned" in May, and the activities in the early summer of the disgruntled Czech leader, General Syrovy, as *entrepreneur* between Moscow and Berlin, were followed by the sudden and secret visit to Moscow of Herr von Papen in July. Slowly but surely the realization of the incredible became a possibility.

For both parties a rapprochement involved the abandonment alike of fundamental principles and active policies. The basic doctrines of "Mein Kampf," the dreams of a German exploitation of the Ukraine and the Baltic, the proud boastings of the Anti-Comintern Pact, even the foundations of the Rome-Berlin Axis, must find a common grave with the Russian protestations of collective security, the "People's Front," and the anti-Fascist line of the Third International. The Pelion of perjury was piled upon the Ossa of betrayal. Before the winds of military expediency and the grumbling hunger of territorial aggrandizement, the veil of ideology was torn away, revealing the naked community of totalitarian imperialist interests.

For Soviet Russia a European war could be only advantageous. Her perpetual nightmare of a united front of capitalism against

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Communism would be banished and the field would be freed for the fulfillment of the age-long desire of Russia, whether Tsarist or Bolshevik, for seaports free from winter restrictions. With England, Germany and France fully occupied, the Baltic and the Balkans would become fields for Soviet expansion. Even the old ambition of the control of the Straits might be realized at last.

For Germany the principal urge was that same military necessity which actuated her policies at Brest-Litovsk in 1918 — the essential need to avoid a war on two fronts, and to concentrate on the West all available forces at the earliest possible moment. With the growing realization in Berlin that Ribbentrop's oft-repeated boast, "The British will not fight," was at last to be proved false, the need for an agreement with Russia became the more imperative, first, in the hope of frightening the Western Powers into accepting the results of a "lightning war" in Poland as a *fait accompli;* secondly, in securing Germany's Eastern border in the event of a war in the West; thirdly, in obtaining an unhampered source of supply.

The demands of the German Supreme Command for a neutralization of the Soviet Union grew more pressing and the bargaining in Moscow became more hectic. The warning which Hitler had himself given in "Mein Kampf" was thrown into the discard. "A Russo-German coalition waging war against Western Europe, and probably against the whole world on that account, would be catastrophic," he had written. And again: "The fact of forming an alliance with Russia would be the signal for a new war. And the result of that would be the end of Germany." Yet by June it was known in Berlin that the Nazis had made an offer to the Soviets for the partition of Poland and the possession of the Baltic States. By August 16 the German Secretary of State, Baron von Weizsaecker, was able to inform the British Ambassador that "the U.S.S.R. would even, in the end, join in sharing the Polish spoils." A week later the apparently impossible had been achieved. The results were dire. Poland was invaded by Germany on September 1, and by Soviet Russia on September 17.

And so they met again at Brest-Litovsk. But how different was the scene of September 18, 1939, and that of March 3, 1918 — how great the contrast!

Then it was Germany, autocratic and stern, who called the tune for victorious ally and defeated enemy alike. Now a new Germany, desperately anxious for Russian aid, faced a rejuve-

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nated Soviet state, a Russia enigmatic and powerful, whose favors must be paid for on her own terms. In 1918 the Soviet delegates wept before the demands of Hoffmann that they surrender Poland and the Baltic States. In 1939 Hitler had already conceded to Stalin as a sphere of influence those very Baltic States which Hoffmann and Kühlmann had annexed in order to protect them from Bolshevism, and was prepared to acquiesce in the return of Polish territory to Russia. The first agreement of Brest-Litovsk opened the door for Germany to the rich lands of the Ukraine and the grain and oil of Rumania; the second shattered the Fuehrer's dream of a Ukrainian dominion and barred the way to an advance into Rumania save through Hungary. Germany in the interval had abandoned the monarchical principle, destroyed the republic and had sought uneasy refuge in dictatorship. In Russia, the much despised régime of 1918, whose end had been so confidently predicted, remained mighty and sinister, though the source of its dictatorship had shifted from the proletariat to a single mysterious individual in the Kremlin. In sum, the passage of twenty-one years between the two meetings at Brest marked the transfer of ascendency of power from Germany to Russia.

The speed and depth of the Soviet advance was a source of surprise and anxiety to the Germans. The first line of demarcation as announced on September 19 followed the ethnographic frontier, but this was followed three days later by a further concession by Berlin of a line much farther to the West, following the Vistula and running through the city of Warsaw. The definite frontier, as finally fixed by the Ribbentrop-Molotov Agreement of September 29, allocated the former White Russian and Ukrainian districts to Russia and to Germany the districts of Poland with a predominantly German and Polish population. This line is approximately that of the old "Curzon Line" of 1919, which was intended by the Paris Conference as the definite frontier between Poland and Russia.

Thus the Soviet Union had extended its limits two hundred miles westward into Central Europe and had acquired a common frontier with Lithuania, East Prussia, Hungary and Rumania proper (in distinction from Bessarabia). Red troops pushed rapidly forward, accompanied by the military organizations of the political police, and began to Sovietize the new districts.

And here the irony of Fate surpassed itself, for, according to reports, the supervision of this process has been entrusted to Karl

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Radek, that impish Bolshevik sprite who travelled in the famous "sealed train" with Lenin, who threw the final challenge into Hoffmann's teeth and who later barely escaped the bullet of Stalin's executioner on a charge of "Fascism." Of the great actors in the early drama of Brest, all but three have died, the majority of them tragically. Of the survivors, Richard von Kühlmann ekes out a precarious existence in Nazi Germany; while Trotsky leads, in his Mexican exile, a life of dynamic hatred and bitter vituperation. It has remained for Radek alone to pass through the whole gamut of fortune from power to prison and to power once more, and to come at last again to Brest-Litovsk.

It would be both foolish and useless to minimize the advantages accruing to Germany from her new agreement with Russia. It must be recognized that economic collaboration is extremely close. Germany is supplying technicians and industrial advisers, and Russian raw materials are entering Germany. The possibility of joint pressure on the Baltic and Scandinavian countries to restrict their trade with Britain is a very real one, and the chances of Nazi-Soviet action against Turkey must not be ignored. Even if the rôle of Russia were confined to a purely benevolent neutral, Germany could be very well content. But the Soviet Union is prompted by no philanthropic impulse. Her supply of raw materials to Germany will continue, it may be assumed, just so long as Germany can pay for it either in gold, or in kind, or in political concessions, or as long as Russia wishes to prolong the war for her own ends. Despite the fulminations of Molotov on October 31, the ultimate advantage to Germany of her new liaison may be highly questionable. "He must have a long spoon that shall dine with the devil;" moreover, the price of the meal is high. Hitler, in the rôle of Faustus, can never regain possession of his own soul, whereas Stalin, as Mephistopheles, can abandon his charge at will.

The second Nazi-Soviet agreement of September 29 contained provision for the parties to "consult each other regarding the necessary measures" to be taken in the event of the failure of German peace overtures to Great Britain and France and the consequent prolonging of the war. At the cost, therefore, of a few skirmishes in eastern Poland, a banquet to Herr von Ribbentrop and the promise of diplomatic consultation and trade promotion, Stalin has regained either possession or virtual control over practically all the territory lost at Brest-Litovsk in 1918. The

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price which Lenin paid for the *peredyshka* ("breathing spell") has been redeemed. The military control of the Baltic States is now Russia's, along with the naval domination of the Baltic. Combining new nationalism with old Bolshevism, the Soviet Union in its forward march is rooting out and destroying the marks of German civilization in the Baltic lands which have existed for many generations. Germanism is in retreat in Eastern Europe and what were once the proudest bastions of "Teuton culture" against "Slavic savagery" are hauling down their flags. Even the fortress of Memel, newly acquired by Germany from Lithuania, is being dismantled. Before the advance guard of the Red Army, the German population of the Baltic lands, which composed the great majority of the upper and middle classes, is returning to the Fatherland, disillusioned, bewildered, yet obedient. National Socialism has surrendered to its Bolshevik ally the German heritage of a thousand years.

Such is the Soviet revenge at Brest-Litovsk in 1939 for Brest-Litovsk in 1918.

Nor is there any indication that Soviet ambitions are satisfied with naval bases on the Baltic Sea. The demands made upon Finland clearly indicate that the Kremlin looks forward to nothing less than an attempt to reach out across northern Scandinavia to ice-free ports on the Norwegian coast, and thus Russia may be in a position to dominate Germany's lifeline from two directions; perhaps compelling Germany to "protective" occupation of Denmark in retaliation.

In the Balkan Peninsula, also, the repercussions of the most recent return of Russia to Europe are severe and the full consequences unpredictable. The rapid advance of the Red Army cut off Rumania from the threat of a German advance through southern Poland, yet this can scarcely be the cause of great relief to Bucharest. It merely means that Rumania has been definitely included within the Russian, as opposed to the German, sphere of influence, and that any partitioning which is to be done will be directed from Moscow instead of from Berlin.

In the unhappy position of a cat which has eaten not one but three canaries — Bessarabia, Transylvania and the Dobruja — Rumania is the object of the irredentist ambitions of the Soviet Union, Hungary and Bulgaria. There seems more than a possibility that Russia will invite the other two states to make joint demands upon her for the restitution of territories acquired as a

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result of the treaties of 1919. The direction of Soviet attention to Bulgaria is particularly disturbing. Should Rumania accede to Russian and Bulgarian demands and re-cede Bessarabia and the Dobruja, she will be all but cut off from the Black Sea; and since any agreement between Moscow and Sofia would presumably be patterned on those with Lithuania, Estonia and Latvia, Soviet political influence and Soviet military and naval control will extend, for all practical purposes, along the whole western coast of the Black Sea. Russia will become the virtual territorial neighbor of Turkey in Europe. And should she go one step further and find means to press to a successful conclusion Bulgaria's claims upon Greece for the return of the Dedeagatch district, then she would have the use of a port upon the Aegean also.

Viewed in this light, the recent Anglo-French-Turkish alliance takes on an added significance. A special protocol excluding the possibility of war between Turkey and Russia arising out of the implementation of the pact gives evidence of the desire of Turkey to keep on good terms with Moscow. Yet the appearance of the Soviet Union as a near neighbor in Europe and as her only other rival in the Black Sea, coupled with the threats from Berlin and Moscow that Turkey may become a second Poland, cannot be viewed at Ankara with anything but anxiety, especially as Russia is said to press for the return of the Kars and Ardahan districts ceded to Turkey under the Peace of Brest-Litovsk.

The many historical parallels between the Brest-Litovsk agreements of 1918 and 1939 include one which is of very great, perhaps supreme, importance for Germany. In 1918, Ludendorff, carried away by the vistas of power and riches opened up by the treaties with Russia, the Ukraine and Rumania, lost sight of the primary object of the peace, the freeing of Germany's hands in the East. In order to enforce a victors' peace and to exploit their new acquisitions to advantage, the Germans were compelled to retain on the Eastern Front a million men at a time when the addition of half that number to their armies in the West would have changed the course of history. Lured away by the will-o'-the-wisp of ambition, Germany found herself inextricably bogged down in a slough of dilemmas. She sank in them deeper and deeper.

The same is true in 1939. Without doubt Hitler imagined that his pact with Stalin ensured that hostilities would be restricted to the East. In this event he would have ample opportunity to watch and checkmate his new ally at the close of the Polish

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campaign. But should Great Britain and France refuse to be terrorized by the bogey of Nazi-Soviet coöperation, Germany would in any case have her rear protected and her hands entirely free to fight in the West. Such was the reasoning behind the pact on the German side. But neither of the hoped-for premises have been realized. The war was not confined to the East. And in turning to the West, Hitler today must have a most uncomfortable feeling of insecurity in the rear. Apart from the army of occupation normally required for maintaining the Poles in a proper state of subjugation, Germany must keep continual watch and ward, in both military and political spheres, upon her ally. Nowhere in the East and Southeast of Europe is German influence paramount, nowhere are German interests secure. The twin ghosts of Bolshevism and Pan Slavism beset the uneasy dreams of German diplomacy. Only the first existed in 1918. Today the threat is dual.

The repercussions within Germany of the German-Soviet "pact of mutual suspicion" and of the 1939 agreement of Brest-Litovsk can only be conjectured. But the confusion and bewildered panic of many can be conjectured. What can be the reactions of the Communist who has suffered persecution for seven years? Of the Party member who for an even longer period has imbibed the anti-Bolshevik doctrines of the Fuehrer? Of the conservative elements who shut their eyes to many of the brutalities and defects of the Nazi system on the score that it at least provided a bulwark against Communism? Above all, of the intelligent General Staff officer who recalls the effect of too close contact with Bolshevism in the past and wonders whether Germany is once more preparing for herself a "stab-in-the-back"? In the answers to these questions may lie the germ of the future peace.

For the second time within a quarter of a century Germany has played with the fire of Bolshevism in pursuit of her desperate attempt to achieve world domination. Her first experiment ended in the Revolution of 1918. Her second may have even graver consequences, for it is but a short step from National Socialism to National Bolshevism. The only harvests Germany has garnered at Brest-Litovsk have been Dead Sea Apples and the Grapes of Wrath.

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THE PACIFIC COAST LOOKS ABROAD

By Chester H. Rowell

WHEN the Pacific Coast "looks abroad" it does so in the first instance from its own position on the final frontier of the white man's world, as the ultimate outpost of Occidental institutions. Its view is naturally from its own windows. These, like the one before which I write, face out through the Golden Gate onto the greatest of oceans, toward another world beyond.

But this is the case only in part. A survey of any regional outlook, whether Far Western or otherwise, must also recognize how relatively minor a rôle sectionalism plays in forming American opinion on all but local matters. Whatever our sectional differences, our major interests are — more than those of perhaps any other people — national.

Thus there may be a prevailing Rocky Mountain attitude on silver and a Southern one toward the Negro, just as there was a Pacific Coast attitude on Oriental immigration when that question was open. There is one approach to the protective tariff in Pittsburgh and another in Detroit. It is good politics in New York City to seek the favor of foreign-born groups and in Alabama to reckon with a tradition of prejudice against them. People in the Middle West, many of whom never saw the ocean, are more amenable to isolationist propaganda than people on either Coast. But even these generalizations have many exceptions, especially among the professionally intellectual groups. Everywhere we tend to divide more along economic or educational than along geographic lines.

A poll, for instance, of the faculties of history, economics and political and social sciences at Harvard and the University of Chicago and the University of California would reveal about the same agreements and divergencies, none of them sectional. Chambers of Commerce and labor unions might be affected by local industrial conditions, but the agreements of each with the corresponding organizations elsewhere would exceed any regional differences. A recent report of discussion groups on American foreign policy held in several widely distributed key cities showed conclusions affected more by the individual backgrounds of the various members than by the localities in which they met.

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This uniformity throughout the United States is so familiar that few of us stop to realize that it is a phenomenon unique on earth. In speech, customs and schooling, in small externals and inner convictions and prejudices, Americans resemble each other as do no other people. If Vermont votes Republican as regularly as Georgia does Democratic, both do it in accord with the same fundamental philosophy of life and of government. And linguistically the "way daown East" Yankee and the Georgia cracker can understand each other more readily than the inhabitants of some adjoining counties in England or neighboring valleys in Switzerland.

This relative identity of common speech is, in fact, the most unifying force in the United States. By contrast, the spoken German of a Hanoverian peasant and a Swiss shepherd are as mutually unintelligible as French and Chinese; there is more divergence of colloquial English in a hundred miles in England than in three thousand in America; a Venetian gondolier and a Sicilian fisherman would have to struggle with what to both is an artificial school language to understand each other at all. In Switzerland, smaller than some Californian counties, I have in a single day's walk ordered breakfast in French, luncheon in German and dinner in Italian. The United States is a far more homogeneous language unit than France. The wide differences inside even the Russian-speaking fraction of the Soviet Union and the variations of the spoken dialects of China are of course familiar; while India is a linguistic conglomerate even more complex than polyglot Western Europe. Our countrymen, in fact, form the only considerable land mass on earth whose verbal localisms nowhere approach the rank of dialects.

Other uniformities are equally startling to the foreign observer. It is not merely that here alone you can go from ocean to ocean without identification papers or frontier formalities. One can transfer one's sixth-grade child from Portland, Maine, to Portland, Oregon, and place him in the sixth grade of the new school with little or no readjustment. Travelling across the country one finds newspapers everywhere with the same news from the same press associations, with the same "comic strips" and the same columnists, gossipy or pontifical, distributed by the same syndicates. Movies and radio broadcasts, the same everywhere, begin to iron out our remaining provincialisms of pronunciation as well as of ideas. We all wear the same clothes, styled from

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Hollywood or mass-manufactured in New York; eat the same advertised breakfast foods; live in houses that differ less from Tampa to Seattle than on the two sides of the same street in Calexico and Mexicali; drive the same few makes of automobiles, scarcely distinguishable and all good; play the same games, dance to this week's Tin Pan Alley jitterbug swing, and get excited together over the same sporting contests. If you overhear casual conversations in the flop house, the smoking car or the club, on the street, in the subway or at the meeting of the board of directors, everybody is talking about pretty much the same things. Any differences of opinion represent mostly opposite sides of the same subjects, and those subjects change almost simultaneously all over the country. Our opinions vary rather by nuances than in essential structure, and do so more widely between social groups than between geographic regions. It is against this nearly uniform national background that our local variations must be examined.

Nevertheless, there are traceable differences of approach, even to world affairs. Naturally, both Coasts "look abroad" more realistically than does the great interior. And the Pacific Coast would be presumed to look on the Orient more closely and on Europe more remotely than does the East. As will be pointed out, there are certain aspects in which this is the case. But it also is true that the Institute of Pacific Relations has long had its American headquarters on the Atlantic Coast, in New York, and only recently added another centre in San Francisco, with some local groups elsewhere. It found more persons and organizations in New York than on the West Coast whose interest in Oriental research, contacts and conference was sufficient to support it with money. And the New Yorkers reminded us that important visitors from the Orient stopped briefly in Seattle or San Francisco (rarely in both) and then made straight for New York. It probably would not happen now, but I have myself had the experience, within the past decade, of having cables from China and Manchuria printed more fully in the New York than in the San Francisco papers.

However, if propinquity and commerce have in the main turned our eyes more often Westward toward the East than Eastward toward the West (we at least, here on the edge of things, have to realize that the earth is round and that both directions point to the same places), the impact of our local racial problems on our international attitudes has been even more influential.

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When Denis Kearney, sixty years ago, sounded the sand-lot slogan, "The Chinese must go!" he was not thinking or caring about China, of which he knew nothing. He merely rationalized a local labor conflict into a race issue. When Chinese exclusion removed the menace of mass migration and the resident Chinese had found their places, largely non-competitive, in our economic life, they first became tolerated and finally popular. Now, in spite of some remaining racial discriminations, the high esteem in which the Californian Chinese are held is a distinct element in Western partisanship for China in the present international crisis. San Francisco far outdid New York in last year's "rice bowl" contributions, and not all the difference was due to the liberality of our local Chinese, great as that was. Probably the largest and most enthusiastic audience ever assembled at a Commonwealth Club luncheon here in San Francisco (except when a President of the United States was the speaker), came to hear Dr. Hu Shih on his arrival from China some months before he became Ambassador to the United States. The movement for an embargo on the export of scrap iron to Japan is especially active on the Pacific Coast, and this despite the fact that many of the shipments go through our ports and are profitable to us. We should be as opposed as ever to opening the gates to the literally tens of millions of Chinese who might overflood us if they could, but we like the Chinese who are here, and they help us look with favor on the country of their ancestors.

The recent conduct of the Japanese Army in China has had some natural though illogical repercussions on the treatment of the Japanese residents here. But otherwise the Japanese exclusion law, which embittered feelings toward America in Japan, had gone part way locally in improving the position of the Japanese already here. They were less unpopular and were on their way toward becoming popular. When the danger of wholesale immigration was banished, we found we could absorb the Japanese we already had and we were learning to live more cordially with them.

However, we early learned that the Japanese were different. When they first came, they were merely cheap laborers, unwelcome as competitors by workers in the cities and welcomed at first by farm employers in the country. But they were less docile than the Chinese and more ambitious to rise from the class in which we preferred to keep them. They rented and then bought land, and so became competitors of the employing farmers, as

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they were earlier of the city workers. We contrasted their business standards with those of the Chinese which, like our own, are based on the inviolability of contracts. When the Chinese said "Can do," he did. When the Japanese found a contract no longer profitable, he thought us unkind to hold him to it. In the fields, if a sudden shower called for immediate "stacking" of the drying raisins, the price of Japanese labor rose instantly to holdup levels. When white workers do that now, we attribute it to "Communist agitators." When Japanese did it, we called it congenital racial dishonesty. So we had the alien land laws, and the demagogic "nuisance law" proposals, whose history would be aside from the purposes of this article. These local frictions doubtless had something to do with anti-Japanese international attitudes.

Not, however, in the beginning. We were all on the Japanese side in the Russo-Japanese war, and shouted "banzai" with the local Japanese who paraded to celebrate the fall of Mukden. But then the Japanese began to get "cocky" and to show that racial pride which we assume should be a monopoly of our race. The "Gentlemen's Agreement" did not sufficiently restrict male immigration and did not keep out the "picture-bride" women, potential mothers of a continuing population of Japanese race. California politicians rode the wave of anti-Japanese prejudice and had more than their share in the needlessly offensive manner in which the exclusion law was passed.

Bad as that law was internationally, it was the beginning of better things at home. It is years since any Californian legislator has sought notoriety by impossible "nuisance bills." It is now the international situation which affects the local one, instead of *vice versa* as formerly.

Perhaps now, when the European war is overshadowing all else, I will seem to have given a disproportionate amount of attention to the Pacific part of our outlook on the Coast. But, after all, it is on the Pacific Coast that we dwell, and from across the Pacific Ocean, if from anywhere, will come the international events that would strike us first and hardest. European news has driven almost everything else from the first page in the West as in the East. But even this does not drive from the consciousness of our more thoughtful citizens the continuing realization that the next great explosion can come in the Far East, and that our West would be just across the narrowing ocean from it.

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On the European war, taken objectively, Far Western sentiment is as unanimously anti-Hitler as is sentiment everywhere else in the country. On the question of what the United States should do about it, as reflected in the recent "neutrality" controversy, there are the same differences here as elsewhere, but there is also a local background of political and journalistic influences, past and present.

In the Senate, both of the California Senators and the majority of their Western colleagues were against the President on the proposal to revise the neutrality law, but the division in the House of Representatives was more favorable to him than the national average. The personalities concerned had at least as much to do with this line-up as did any reflection of public sentiment. Senators Johnson of California and Borah of Idaho, much the most conspicuous Congressional personages from the West, both had their attitudes fixed long ago. Their position on new situations as they arise is automatic. What they really were voting on in October 1939 was the League of Nations and the original 1919 controversy, from which they are the surviving champions of isolation. Since either of them, in his personal capacity, can be reëlected indefinitely regardless of his position on national issues — in his public career Johnson has received support from three parties — they can afford to be, and are, completely independent.

In Senator Johnson's case at least, the rule works both ways. Not only does he plot his course independently of the views of his constituents, but he does not need to convert them to approval of that course in order to assure their votes for him personally. Like Roosevelt, he holds personal loyalties even through intellectual disagreements. He was never an organizer and has no political "machine" in his own state, though he has plenty of personal followers. He was brought out for Governor in the first instance by an organization already highly developed before he became active in it; but after his election to the Senate that organization dissipated into an unorganized personal following, and many of its most active original members have always differed from him over foreign affairs, on which he has since specialized. It would be difficult even to guess whether California is or is not much more isolationist as the result of a generation-long campaign of education carried on by its most popular candidate and most applauded orator.

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Newspaper influence is equally baffling to appraise. California was the original seat of Hearst and Hearstism, and there are now strong Hearst papers on the coast in Los Angeles, San Francisco and Seattle. They have more than once conducted isolationist stampedes, on the Coast as elsewhere, and they used a certain amount of big type this time in keeping up the form of a fight against repeal of the arms embargo. But it was perfunctory, in evident anticipation of defeat.

The great interior valley of California, except the city of Stockton, is now within the field of the McClatchy chain of papers, also isolationist. In their best days under brilliant editorship, they were often as erratic as Hearst, but their vigor and sincerity gave them a greater influence within their field. Even now (an impersonal corporation, with James, "C. K." and Carlos McClatchy dead and the heirs of the fourth generation too young), they are probably as responsible as any other influence for the prevailingly isolationist sentiment in the Sacramento and San Joaquin Valleys, which are to California what the Mississippi Valley is to the United States. The Scripps-Howard papers, on the other hand, have on the whole been anti-isolationist, here as elsewhere. And virtually every locally owned newspaper of importance on the entire Pacific Coast, all of them Republican in tradition, supported President Roosevelt in his recent fight.

Other influences on the Coast were much what they were elsewhere. University leaders and the "highbrows" generally were almost unanimously with the President, regardless of party predilections. So were, predominantly, the higher business and financial circles, nearly all Republican. The American Legion is still intensely for "Never again!" Labor organizations and their members were apparently divided. They are mostly for Roosevelt personally, but they are also intensely against American participation in war, and many of them, like other people, may have confused keeping the embargo on with keeping the war off.

Pacific Coast shipping and exporting interests were of course unanimous — and were finally successful — in insisting that American vessels trading with Pacific ports which are theoretically "belligerent" but actually not in the zone of hostilities, should be exempted from the general prohibition contained in the Act.

Other commercial interests affect attitudes toward the Asiatic rather than the European war. Seattle, for instance, until re-

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cently had a much more influential pro-Japanese group than was found in Oregon or California. Now, however, as shown by the scrap-iron embargo movement, there is everywhere an increasing willingness to forego some temporary trade rather than face a Japan-dominated Orient from which American and European enterprises would be effectively barred.

The upshot, then, is that while there are local interests, influences and traditions which in part color the Pacific Coast picture, the major factors, real and imaginary, are still those which affect opinion elsewhere.

The Pacific Coast is, of course, as unanimous as the Atlantic for a strong navy, and perhaps less naïve about it. We know, to be sure, as little as anybody else about what that navy is to "defend," but at least we know that on our side of the continent the zone of defense extends far beyond our "coasts" and includes the Aleutian-Hawaii-Panama triangle. We also realize that as long as the British Navy is in being, to keep Europe's troubles on their own side of the Atlantic, the major function of our navy will be in the Pacific. Probably few would wish to see the United States permanently committed to defend the Philippines — this partly for legitimate naval considerations, but chiefly because the laboring people would like to get rid of the resident Filipinos, and because the beet sugar producers and oil refiners want a tariff on Philippine sugar and coconut oil. Probably the prevalent view — which personally I do not share — is for complete and early Philippine independence, with no further responsibility on our part.

As for Latin America, people on the Coast share the general vague enthusiasm for grabbing British and German export markets there while the grabbing is good, together with a complete unwillingness to admit any competitive imports to finance those exports. But we are no nearer to that problem, except in Mexico, than are the Atlantic and Gulf Coasts. After all, the West Coast of South America is further east than most of the East Coast of North America, and the shortest route from San Francisco to the most important South American ports is through the Panama Canal — which, incidentally, runs westward from the Pacific to the Atlantic. Directions are paradoxical there, too.

In these days of instantaneous radio, of hourly newspapers with pictures as well as news by telegraph, of news reels, and of all the other devices that have shrunk the world to one room, even we of the last frontier cannot feel remote, or be isolated in intellect or

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imagination. I myself felt no further away from the European crisis during the second half of the summer in California than during the first half in France and Switzerland. The last mental frontier is gone — or if it exists anywhere, we of the outer geographic rim do not think we live on it.

Nevertheless, in evaluating Western interest in the world crisis, one must add that the attention of California at least has been partly diverted by a series of home crises. We have had dumped on us an overwhelming new problem in the "dust bowl" migrants — too many for us to employ or, without federal help, adequately to relieve. Our maritime and longshore labor disputes have attracted nation-wide attention. And we spent the first months of the European war in a hectic local campaign over the "ham and eggs" phantasmagoria, which threatened a calamity almost as disastrous as war, and much nearer. Now that it has for the second time been defeated, we are threatened with two more special elections on it, the first in an effort to recall the Governor for not supporting it, and the next a special election immediately following, to submit the "ham and eggs" measure a third time if a new Governor can be chosen who will call it. Though beaten by a million votes at the recent election, the promoters of this scheme evidently intend to force California to vote on it two or three times a year forever, unless it is passed. So, like other people, "We have troubles of our own" — only ours, to us, seem worse. Don't expect of us a single-minded devotion to the welfare of mankind until we can restore some "normalcy" at home. We can be more useful and intelligent citizens of our country and the world when that has been done.

From where West is East and East is West, and where people are trying to make us rich by taxing us poor, we look out on a world that seems crazy and wonder whether we belong in it.

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WHY BRITAIN FIGHTS

By Viscount Cranborne

ANY Englishman who sets out to interpret to readers in the United States the aims and objects of British policy under present circumstances must approach his task with a sense of deep responsibility. All must recognize how different is the situation of the two countries; yet close sympathy and clear understanding between them have never been more necessary than they are today.

The British people have just entered on what may prove the gravest struggle of their history. They have decided that victory in this war is so important that no sacrifice can be too great to ensure it. They are fighting, and sending their sons to fight. They are accepting compulsion in every sphere of life. They are enduring taxation on a scale hitherto undreamt of. They know that the Britain of the past is gone. They look into a future dark and obscure. Yet they are united and resolute as perhaps never before. Why is this? Toward what goal are they painfully struggling? And how do they hope to achieve it?

An interested inquirer who went out into the streets of any English town and asked the people he met what was the main aim of British policy would get in the great majority of cases the answer "Peace." And of course that is, so far as it goes, true. At the same time, it clearly is not a complete answer. For if peace were her only object, Britain's policy would be simple if not heroic. She would be willing to sacrifice everything for it — her possessions, her traditions, her liberties. She would do away with her army, her navy, her air force. In order to avoid war, she would cheerfully submit to any humiliation. That is the extreme pacifist attitude and it is sincerely held by a number of excellent people. But it is not the view of the British people as a whole. Everyone knows that there are in fact things for which the people of Great Britain would always, in the ultimate event, fight with the grimmest determination. They may be pacific, but they are not pacifist.

It may indeed be suggested that the fundamental aim of British policy has always been, will always be, the preservation of the liberty and security both of our country and of the individuals who compose it. Whenever that has been threatened, whether

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in the days of the Armada or the days of Napoleon, the British people have always fought. A main reason why they love peace is because it is only under peaceful conditions that liberty and security can flourish or indeed exist.

In times past, Britain tried to safeguard peace by systems of alliances. She threw in her weight in opposition to the strongest nation in Europe. She tried to create a balance of power so evenly poised that no nation would think it worth-while to attempt domination of the continent. But the events of 1914 made her and other peace-loving nations realize finally how uncertain and insecure this balance was. It did not eliminate the risk of some nation calculating that it had achieved temporarily an adequate superiority to justify an attempt to extend its territories by war; and even if this calculation was in fact unsound, under modern conditions the ruin and misery resulting were bound to be incalculable.

It was the realization of this fact which impelled the peace-loving nations of the world, after the Great War, to attempt to inaugurate a new system. They joined in a society of nations which was pledged to settle any disputes that might arise between them by methods of conciliation and which was armed with penalties to be imposed on any member which took action inconsistent with its obligations. The conception of the League of Nations was one calculated to appeal in particular to the British people, as it applied in the international sphere principles which had long obtained in their own country.

Some today incline to regard the League of Nations as a tragic failure which, so far from furthering the cause of peace, has proved to contain within it the seeds of war. But this is a superficial view which will not bear the test of careful examination. We should make a great mistake to underestimate what the League achieved in the twenty years of its existence. Apart altogether from its great work of a non-political character in the social, economic and humanitarian spheres, it found a peaceful solution for many issues which without its intervention might easily have flared into war.

At the same time, admirable though the League may have been in conception, even its most enthusiastic supporters would be idle to argue that it achieved all the hopes of its founders. The reasons for its relative failure were manifold. The provisions of the Covenant were probably too rigid, and the scope of the

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League was probably too wide. In the event of a situation arising which involved danger of war, all the members might be required to take, automatically, very drastic action. This they only too often were unwilling to do. Some of them, thousands of miles from the danger zone, did not feel that their national interests were directly affected. They tended to hesitate, to hang back; and the moral effect which united and resolute action would have produced was largely lost. The moral effect was in any case greatly weakened by the fact that the League was not universal. It did not officially represent the public opinion even of that predominant portion of the world which was in harmony with the principles which inspired the Covenant. To that extent it was hamstrung from the start.

But neither the fact that the Covenant was not perfect nor the fact that the League was not universal provides the main explanation of its gradual decadence. There is a reason far more fundamental. The League was a democratic institution. It was devised by democrats for use in a democratic world. The conception which underlay it was that all nations are members of a community, and the essential condition for its success was that each member should be willing to subordinate its individual interests, to some extent, to the interests of the community as a whole. But as democracy was discarded in one great nation after another and was succeeded by dictatorship, the conception of a community of nations ceased to obtain general acceptance. A democratic world might hope to make the machinery of the League accepted as the normal method of procedure. Faced with a dispute between his country and another, a democratic statesman feels a national instinct to compromise, to try and find some middle line between the two points of view, to narrow the gulf until it becomes bridgeable. He knows that the result will probably not be entirely satisfactory to either party. But a conflict will have been avoided, and that fact, to his mind, will far outweigh the advantages which might conceivably have been obtained by a more rigid attitude.

But to a dictator such ideas are alien. His aim is not to avoid a conflict. It is to win a conflict. Compromise is abhorrent to him — a sign of feebleness and decadence. The idea of conditioning his actions by the approval of his fellow men is intolerable. He will not submit himself to laws made by others. He is a law to himself. If he wants to keep a treaty, he keeps it. If it becomes incon-

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venient, he breaks it without hesitation. If anyone stands in his way, he crushes him ruthlessly. No normal considerations restrain him. Anything he wishes to do is justified by the fact that he does it.

This amoral point of view, though it seems to be common to all totalitarian régimes, undoubtedly finds its greatest exponent in Herr Hitler. For whereas other dictators have not very much cared whether what they do is right or wrong, he has elevated contempt for ordinary standards of conduct into a new moral code. In his view, there is for all Germans a sacred cause, the material greatness of National Socialist Germany. To that cause every German must dedicate himself. In that cause any action which he may take receives, immediately and automatically, moral justification. In the eyes of those who subscribe to such a creed the murder of a political opponent or the repudiation of an obligation may become, in certain circumstances, not merely expedient but right. For them Peace can have no charms. Their aim of life is not peaceful coöperation between interdependent nations but victory over inferior rivals. As Herr Hitler wrote in "Mein Kampf:" "The ideas of pacifism may be quite good after the supreme race has conquered and subdued the world in such a measure as makes it its exclusive master. . . . Therefore, first fight, and then, perhaps, pacifism."

Inspired by this conception, Hitler set out, from the moment of his entry into power, to dominate Europe. The plan which he adopted was from his point of view quite sound. He recognized the immense potential power of the forces that could be arrayed against him. Should they be immediately united, he would have no chance of success. He must deal with them one by one, and in the meantime lull the others into a false sense of security. This he did by giving solemn guarantees of Germany's good intentions to those nations which he was not ready to attack. While he was rebuilding his military forces, and before he was ready to remilitarize the Rhineland, he stated that he was ready to accept not only the letter but the spirit of the Locarno Pact. Then one fine morning he marched in and faced the other signatories with a *fait accompli*. He gave explicit assurances to the Austrian Government that he was determined to respect the integrity and independence of their country. Then, quite suddenly, he annexed it. He did the same thing in the case of Czecho-Slovakia.

It may be asked why the British Government and the British people did not see through these manœuvres, which, as we look

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back, seem almost transparent. The reason, surely, is that when the totalitarian states left the League and formed an independent combination, Great Britain and France were faced with a new situation which involved very difficult decisions. They might of course have said at once: "This new alliance means sooner or later a European war. Let us have it now, while they are comparatively weak." But such a decision, dreadful in any case, was for democratic states almost impossible. No democratic country will willingly embark on a preventive war. The idea of war is repellent to it. Its whole system is based on conciliation. If its existence is directly threatened, it will fight, and fight heroically; but not till then. Moreover, Great Britain, at any rate, was in no position to embark on a European war in the early stages of the Hitler régime. In her zeal for general disarmament, she had disarmed, as Sir John Simon once said, "to the very edge of risk" — and perhaps beyond. She was neither spiritually nor materially prepared for a conflict. Rightly or wrongly, the British Government and a very large body of British opinion preferred to say: "Perhaps these people are not so bad as they appear. Perhaps their objectives are limited and attainable without risks to general peace. At any rate, let us give them a chance. Let us show that we are not unalterably hostile to them. Let us see whether the two systems, totalitarian and democratic, cannot yet live peacefully side by side." That was the underlying motive of the policy of appeasement.

The policy was not by any means universally approved. There were those who felt that it was impossible any longer to believe in the good word or good will of nations which so often had shown that they were not to be trusted. We must, these people said, recognize that Europe is heading for war, and that the only chance of averting it is to build up against the totalitarian states so formidable an array of strength that they will not risk a conflict. In the meantime, let us show a firm front wherever it seems practicable. This was the conclusion to which men such as Anthony Eden and Winston Churchill were gradually driven.

For the moment, however, the other view prevailed. Among large sections of the British public, it even survived the Munich Conference. When the Prime Minister returned from Germany, bringing a settlement of the immediate issue and an Anglo-German Agreement which gave hope of preserving, to use his own words, "Peace in our time," there was widespread evidence

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of relief. Herr Hitler had given a personal assurance to Mr. Chamberlain that he had no more demands to make. Might Germany not now be regarded as a satisfied nation? Those who continued to cast doubts on the good faith of the German Government were severely criticized. But events soon occurred which showed how premature were these hopes. Instead of Herr Hitler showing a more friendly attitude to Britain, his speeches became yet more hostile. Though certain members of the British Government remained hopeful, the conviction grew that Germany was not yet satisfied, that a further crisis must be expected. It came in the middle of March, when the German Army invaded Bohemia and Moravia and occupied Prague.

Presumably the reasons for this step were strategic. The existence of an independent Czecho-Slovakia, truncated though it was by the Munich Agreement, was yet a hindrance to further German expansion in Eastern Europe and must be eliminated. But though it secured Germany strategic advantages, the invasion of Bohemia and Moravia was, from the political point of view, a cardinal error. It let the cat out of the bag. Not only was it a flagrant violation of the Munich Agreement and of Herr Hitler's personal assurances to Mr. Chamberlain in September 1938, but it gave the lie once and for all to the oft reiterated thesis that his ambitions were limited and that he only sought to include peoples of Germanic origin within the Reich. His aims were now demonstrated to be both more extensive and more formidable. He intended nothing less than the domination of Europe. The only question was where and when he would strike next.

The effect in Great Britain was electric. The issue was now one from which, in any view, she could no longer dissociate herself. Divisions ceased, and preparations were intensified for the struggle that must now be regarded as probable. The first essential step was to prevent Europe from again being faced with a *fait accompli*. An assurance was given to Poland that England and France would be with her if she felt that her vital interests were threatened, and this assurance was later amplified into a Treaty of Mutual Assistance. Negotiations for a treaty of similar character were begun with Turkey, and unilateral guarantees of assistance were given to Rumania and Greece. A "Peace Front" began to take form. It was intended that it should be strengthened by the adhesion of Soviet Russia. For whatever might be felt about the Soviet system of government, it was thought that

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Russia had an equal interest with the Western Powers in the maintenance of peace. The whole history of the long drawn out and ill-fated negotiations in Moscow will probably never be known. But by now, at any rate, we can see that the Russian devotion to peace was far different from what had been supposed. Instead of ranging herself against German aggression, Russia moved suddenly into the other camp. From that moment, all hope of preserving peace was gone. The basis on which it had been precariously balanced was swept away.

Presumably war was both unexpected and unwelcome to the German Government. No more than the British and French Governments did Germany want a general war. On the contrary, her object in concluding an agreement with Russia was clearly to make war unlikely. She calculated that, faced with so strong a combination, Britain and France would withdraw, as they had done last year; Poland, deserted, would make what terms she could; another bloodless victory would have been achieved. What the Nazis did not appreciate was that, at any rate so far as Great Britain was concerned, there was an essential difference between the two crises. In September 1938 Great Britain was under no direct obligation to assist Czecho-Slovakia. She had, it is true, a conditional obligation as a member of the League of Nations. But it came into play only if the League decided to take joint action under the Covenant; and the League clearly was not prepared to do this. Indeed, several states neighboring on Germany, notably Switzerland and Sweden, had already, in the previous spring, made declarations at Geneva which indicated that they were not prepared, under existing circumstances, to support the coercive provisions of the Covenant. Britain may be criticized for intervening at all in the Czech problem. It would perhaps have been wiser had she not done so. But she was certainly under no obligation to fight.

In September 1939 Britain's position was entirely different. She had definitely pledged that if Poland became engaged in a war with Germany involving vital Polish interests Britain would herself declare war. There could be, and was, no question of her repudiating this obligation. The fact that after it had been incurred Germany made a pact with Russia, made absolutely no difference. Britain was definitely engaged; and she was prepared to honor her engagement.

Probably the British and French decision came as a surprise to

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Herr Hitler. But he had gone too far to retire. Moreover, no doubt he calculated that the Western Powers could give no immediately effective assistance to Poland, and that, once that country had been overrun and had disappeared from the map, they would once again accept the *fait accompli*. This was yet another miscalculation. Britain and France were and are fully prepared to fight till victory is won, till the liberties of the peoples of Poland and Czecho-Slovakia are restored, and till Europe is freed from ever-recurring threats of aggression.

Some criticism has been heard about the conduct of the war by the Western Powers during the first weeks of hostilities. It has been said that Poland was deserted, and even betrayed, by her allies. This is a superficial view. None of us can have watched without horror the martyrdom of Poland. But to nations entering on a great struggle, what must be the paramount aim? To win it. That is the real interest of Poland as well as of Britain and France. To send direct aid to the Polish Government on a scale calculated to repel the original German attack was impossible. All strategy is conditioned by geography. To have flung our armies against the formidable battlements of the Siegfried Line would have been a useless waste of forces which might play a decisive part at a later stage of the war. What, after all, is the most conclusive lesson of modern war? Defense is stronger than attack. Moreover, the Allies can afford to play a waiting game. They have one weapon more powerful than any at the disposal of Germany, that of economic warfare. While it is of course true that the central position occupied by Germany gives her an immense military advantage in that she can move her troops at will from east to west, the opposite is true in the economic sphere. Being in the middle, she can be blockaded. A noose can be put around her neck, and, slowly but surely, she can be strangled. Already German merchant ships have been swept from the sea. Already she is deprived of further supplies of certain essential materials of war. She is well aware of her danger. That is the reason for her desperate efforts to obtain supplies from Russia. But there are essential products, such as rubber and tin, that even Russia with all her vast resources cannot provide; and even the materials of war available in Russia have to be transported for many hundreds of miles over railways which were hardly able to stand the strain of peacetime traffic. Slowly, inexorably, the noose is being tightened. Unless Germany can, at terrific cost, secure a victory in

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the field, she must ultimately capitulate. To be too confident would be unwise. War is full of surprises. But the lines of Allied strategy are clearly indicated, and they will surely not be departed from. Sooner or later the time will come when Germany will seek peace.

If and when that day arrives, what terms are to be offered to her? What are our war aims? First, the liberties of the peoples of Poland and Czecho-Slovakia must be restored. That is the immediate issue of the war. But, beyond that, what? Do we seek to trample the German people under foot, to inflict upon them the fate which the present German Government has meted out to the Polish nation? No. The answer was well given by Mr. Chamberlain in the House of Commons on October 12 in reply to Herr Hitler's so-called Peace Offer. He said:

> It is no part of our policy to exclude from her rightful place in Europe a Germany which will live in amity and confidence with other nations. On the contrary, we believe that no effective remedy can be found for the world's ills that does not take account of the just claims and needs of all countries, and whenever the time may come to draw the lines of a new peace settlement, His Majesty's Government would feel that the future would hold little hope unless such a settlement could be reached through the method of negotiation and agreement. . . .
>
> We seek no material advantage for ourselves; we desire nothing from the German people which should offend their self-respect. We are not aiming only at victory, but rather looking beyond it to the laying of a foundation of a better international system which will mean that war is not to be the inevitable lot of every succeeding generation.

These words interpret the views of the overwhelming mass of the British people.

Whether or not this is a war for democracy is of course a point on which different views may well be held. But one thing is certain. To the British people, it is a war for the preservation of certain fundamental principles on which, they believe, parliamentary democracy is based — freedom of speech, of thought, of conscience, and the sanctity of contract. Can anyone maintain that if Dr. Goebbels were in control in London and Herr Himmler in Paris those principles would remain unimpaired? Of course they would not. In one European country after another we have seen them find their grave in concentration camps and execution yards. The outer bastions of liberty have been driven in. Now the citadel is under attack. So far as lies in our power, we shall see that it does not fall.

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HOW MUCH CAN AND WILL RUSSIA AID GERMANY?

By Bruce C. Hopper

HOW much can Soviet Russia aid Germany? How much will she? The precise answer to this double-barreled question, which may well determine the military outcome of the European war and the future course of world politics, is still unknown. Current estimates, in so far as they are not guesswork limited to specific items (*e.g.* oil), are based on the inadequate and often unreliable statistics of Russia's past economic performance. Russia's potential performance is contingent upon many political intangibles yet to be revealed, and upon such factors as the undetermined capacity of Germany to supply equipment and large-scale technical assistance for the reorganization of Soviet industry and transport. Information upon which to base final judgment is inaccessible. Nevertheless, so long as Germany and Russia continue to execute in good faith their treaties of 1939, speculation will be in order. For in the conduct of the war, and in any political action looking towards peace, the Allied Governments must use as a key reference some estimate of the nature, extent, and effectiveness of the Nazi-Bolshevik coöperation.

Many variables are important in the reckoning: the type of war in the West — whether it remains a siege or develops big offensives which would increase Germany's expenditure of war materials; the length of the war — for Russia's capacity to supply Germany will increase with the passage of time; possible political shifts in the lineup — for certain ones might close certain routes between Russia and Germany (*e.g.* via Rumania and the Balkans); and, most of all, the variable of Russia's willingness to sacrifice domestic requirements of the Third Five Year Plan in order to help Germany gain victory, or a stalemate, in the West.

I. GERMANY'S DEFICIENCIES

Germany's imports in 1938 totalled 63 million tons. According to a British estimate, this total figure will be reduced 45 percent by the blockade.[1] There follows an analysis of Germany's more important deficiencies as created or aggravated by the blockade.

[1] Professor H. C. Hillman in the *Manchester Guardian*, October 19, 1939.

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1. *Foodstuffs*

The 1939 harvest of grain will be sufficient to supply the population with bread for the present. Germany has accumulated a war reserve of grain, partly surplus from the bumper crop of 1938, partly imported. This reserve is estimated by experts to be sufficient for an additional ten months' supply of bread. The Government may decide to keep this reserve intact against the possibility of a bad harvest in 1940, or may assign part to the feeding of live stock as a temporary remedy for the fodder deficiency.

German imports in 1938 included 137,507 tons of meat, about half from South America, and 229,296 tons of fish, from Britain and Scandinavia.[2] Fishing has been greatly reduced in the war zone. Russia can supply Germany with neither meat nor fish.

Germany's most serious food shortage, as during the last war, is in fats. In 1938, the import of lard was 42,016 tons, and butter 92,291 tons, mostly from Germany's immediate neighbors,[2] and therefore affected by, but not cut off by, the blockade. For fats, Germany has relied on vegetable oils, of which there has been a constant decrease in imports since 1929. The following table gives imports in this category for the year 1937:[3]

Peanuts	288,000 tons,	containing 42–50 percent oil,	132,480 tons of oil
Copra	210,000 tons,	containing 60–70 percent oil,	136,500 tons of oil
Soya beans	610,000 tons,	containing 20 percent oil,	122,000 tons of oil
Linseed	180,000 tons,	containing 32–43 percent oil,	68,400 tons of oil
Oil Cake	110,000 tons,	containing 10 percent oil,	11,000 tons of oil
Total			470,380 tons of oil

Manchurian soya beans, containing 19.8 percent crude fat and 48.9 percent crude albumen, could meet the fat deficiency if they could be sent to Germany via Russia in sufficient quantities. From 2,351,900 tons of soya (more than half the Manchurian crop), Germany could extract the same amount of vegetable oil she got from divers sources in 1937.

2. *Feedstuffs*

The German shortage in fodder crops, as in foodstuffs, is a repetition of 1914–18. In recent years, a main item among feed imports has been corn — 1,895,421 tons, for example, in 1938, 90

[2] Department of Commerce, Bureau of Foreign and Domestic Commerce, "Geographical Distribution of German Imports for 1938 and 6 Months of 1939." October, 1939.

[3] *Cf. Statistisches Jahrbuch, 1938;* also George S. Jamieson, "Vegetable Fats and Oils." New York: American Chemical Society, 1932.

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percent of it from the United States and Argentina. An increase in the Russian acreage under barley and rye would permit Russia to supply some feedstuffs, after a year's notice to the State Planning Commission in Moscow. German newspapers recently reported that one million tons of barley were expected from Russia. If this amount actually arrives, it would partially replace the corn item.

Germany's 1939 potato crop is reported as unusually large, 54½ million tons, of which only one fourth is considered necessary for human consumption. Potatoes are also fed to hogs. A large part of the harvest also is used for the distillation of potato alcohol; and the residue from this process is used for cattle feed. Indeed, potatoes are the staff of life for man and beast in blockaded Germany, the only unrationed food. But even with an abundance of potatoes and a considerable barley import from Russia, the deficiency in fodder will be serious.

3. *Oil*

In 1938, Germany imported oil as follows: [4]

Crude oil	777,840 tons
Gasoline	1,357,102 tons
Diesel oil	1,467,568 tons
Lubricants	388,034 tons
Fuel oil	405,690 tons

Of this import, 80 percent came from North and South America. Rumania supplied 429,362 tons, and Russia only 33,154 tons. Germany herself produced 2,600,000 tons. Her wartime needs in oil are estimated at 12,500,000 tons (or more, depending on the type of war), of which nearly 10,000,000 would have to be imported. Under the most favorable circumstances, short of German seizure of Rumania's wells, that country cannot be relied upon for more than 2,000,000 tons. Can Russia supply the remaining 8,000,000 tons?

It should be noted that restrictions within Germany qualify estimates made on the basis of peacetime consumption. The private consumption of gasoline has practically ceased. German industry has greatly favored the Diesel engine, which uses the heavy oils made from coal. By the law of 1931, gasoline in Germany is mixed with potato alcohol up to a maximum of 30 percent. The potato harvest therefore enters into the calculation of Germany's oil needs. Also, the German strategic railways, im-

[4] Department of Commerce, *op. cit.*

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proved by the Nazis with new unloading platforms and ramps in the past two years, are adequate to keep the Siegfried Line supplied. Fewer oil-consuming motor trucks are therefore required than is usual in a modern army. Finally, among the qualifying factors is the war reserve of oil, the size of which cannot be ascertained.

4. *Iron Ore*

In 1937, Germany imported 20,600,000 tons of iron ore, with a pure iron content of 9,900,000 tons.[5] Of this pure iron, 39 percent is unaffected by the blockade. Possibly Germany might obtain ore for an additional 220,000 tons of pure iron from Norway and Greece. Sweden supplied Germany with 8,992,331 tons of iron ore in 1938; but the former route for bringing the major part of the Lapland ore to Germany (via Narvik, on the North Atlantic) is cut off by the blockade. Chief reliance must therefore be on the Baltic ports of Luleaborg, which is icebound for nearly six months, and Oxelösund, further south. It is considered possible that within a year's time the iron ore shipments from Sweden to Germany via the Baltic ports may be increased by 1,800,000 tons. With such an increase, Germany might be able, by the end of next year, to obtain 48 percent of the pure iron which she acquired by import in 1937.

Germany's own production of iron ore in 1937 was 9,792,000 tons, with a pure iron content of 2,759,000 tons.[5] In 1939, Germany added the iron ore of Upper Silesia to her internal supply, but lost the use of the Saar iron and steel plants which relied on the iron ores of Lorraine (the import from France in 1938 was 5,050,121 tons). The Hermann Goering Werke have not yet reached capacity production, although the German press reports that two new blast furnaces have been put into operation since the outbreak of the war. The use of low-grade German iron ore requires much greater quantities of coke, and the transport of this offers one of the serious problems in increasing production.

The amount of iron ore and iron scrap in the war reserve is unascertainable. During the last two years Germany greatly increased the import of scrap iron (1,164,068 tons in 1938); and she acquired additional reserves through salvage in the parts of Poland devastated by the war.

A final factor to be noted is that Germany's overseas export of

[5] *Statistisches Jahrbuch, 1938.*

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iron and steel products in 1937 is calculated to have contained one million tons of pure iron. Since this overseas export is barred by the new British and French blockade, we may assume that Germany either can reduce her needs for imported iron ore by an equivalent amount or can apply the savings to the manufacture of the machinery and equipment desired by Russia and the Balkan states.

5. *Manganese Ore*

In 1938 Germany imported 425,785 tons of manganese ore, of which 60,925 tons came from Russia;[6] the rest is cut off by the blockade. As the Russian manganese ore is 35 percent pure manganese, instead of 50 percent as in the ore supplied by other countries, 720,000 tons will have to be imported from Russia to meet the deficiency.

6. *Non-ferrous Metals*

Germany's imports in this category in 1938 were as follows:[7]

Copper (crude, 272,400 tons; ore, 653,931 tons)	926,331 tons
Lead (crude, 75,327 tons; ore, 141,288 tons)	216,615 tons
Zinc (crude, 74,935 tons; ore, 185,003 tons)	259,938 tons
Tin (crude, 12,090 tons; ore, 6,142 tons)	18,232 tons
Aluminum	14,521 tons
Nickel	3,984 tons
Chrome (ore)	176,406 tons

Practically all of these imports have been cut off by the blockade, with a consequent effect on the munitions industry. None of them can be supplied by Russia. Zinc can be obtained from Poland; copper, lead and bauxite from Jugoslavia; chrome from Greece; and so on — but not in sufficient quantities. The storage of copper is probably considerable; in recent years, copper fittings in buildings have been expropriated by the Reich Government.

7. *Other Needs*

Other items on the list of German deficiencies are the 250,037 tons of raw cotton imported in 1938; 91,918 tons of crude rubber; also the rarer metals, uranium, molybdenum, antimony, tungsten, etc. — all of which are cut off by the blockade. But in Austria, Germany has nearly 70 percent of world production of magnesite.

[6] Department of Commerce, *op. cit.*

[7] Department of Commerce, *op. cit.* (Note: a dispatch from Berlin, *New York Times*, November 12, 1939, gives the import of copper in 1938 as 1,012,300 tons.)

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II. RUSSIA'S CAPACITY TO SUPPLY GERMANY'S DEFICIENCIES

Any reckoning of Russia's capacity to supply German wartime needs must take several broad considerations into account.

First, by means of the industrialization process of the last decade, Russia has ceased to be a large-scale exporter, and (thanks to an increasing gold production) is no longer forced to export foodstuffs and raw materials in order to pay for needed imports of machinery.

Second, Russia is a competitor in the world market for many war metals, rather than a potential supplier of Germany.

Third, Soviet policy, since 1936, has been to supply domestic needs and to lay up reserves for the four Defense Commissariats (Aviation, Shipbuilding, Munitions, and Armaments).

Fourth, Soviet economy is in a permanent state of mobilization for defense, without idle productive capacity, therefore not immediately capable of the Herculean task of an export offensive, even under German management.

1. *Russia's Surplus*

Under the circumstances of socialist defense economy it is not realistic to speak of great surpluses of anything in Russia, despite the vast, unexploited mineral wealth. But the prospects of increasing the immediate Russian supply may be summarized roughly.

The Russian grain crop averages close to 100 million tons a year, but there is none to spare for export. Should the war last for several years, Russia could meet Germany's deficiency by increasing the sown area. Meanwhile, the Polish surplus of wheat and rye is already available to Germany. The situation is quite otherwise in regard to fats. Butter and eggs almost disappeared as Soviet export items in 1936. The export of vegetable oils is matched by the import. The livestock herds are being gradually replenished from the low level existing after the wholesale killing of cattle by the peasants in 1930, but there is no fodder for export. Russia might increase barley production and thus partially meet Germany's deficiency in feed for hogs.

Russia, in 1938, produced a one percent surplus of iron ore; the figure could be raised in order to supply Germany, given two years to work out the planned increase. The production of manganese ore — 3 million tons, one-third of it surplus — likewise

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could be increased on need. It should be noted, however, that the best results in the making of steel are obtained by mixing manganese ores from various sources. How German steel will fare on Russian manganese alone remains to be determined.

Russia's supply of non-ferrous metals is inadequate for her own needs. Russian production meets the domestic needs for copper by only 62 percent, lead 76 percent, nickel 40 percent, zinc 96 percent, aluminum 87 percent, mercury 94 percent, tin less than one percent.[8]

Germany's shortage of timber and lumber can be met from Russia's supply of standing timber (available after some effort). Shipments could go forward via the Baltic-White Sea Canal during the summer months.

Russia's cotton crop in 1939 was the largest in her history, but the domestic textile industry takes practically the total; only 3,600 tons were exported in 1938 (11 months). Rubber is likewise unavailable.

The Soviet output of oil last year was 30,000,000 tons, of which 90 percent came from the Caucasian fields at Baku and Emba. The export has declined in the last decade from 6,000,000 tons to 1,231,000 tons, indicating increased home consumption with the advance of industrialization. In fact, domestic requirements have almost overtaken production capacity in oil. Frequent fuel shortages are recorded by the tractor stations serving collective farms. Of the 27,000,000 tons of crude oil refined in 1938, Russia consumed at home 21,750,000 tons, leaving a surplus of 5,250,000 tons, of which three quarters went into the war reserve, some of which might be shipped to Germany.

2. *Can Russian Production Be Increased?*

From the above it would seem that the only key supplies readily available in Soviet Russia for export to Germany are timber, manganese ore, oil, and possibly, in time, some iron ore. The question arises as to the possible increase of production through the reorganization of Russian industries by German engineers.

In 1930–32 there was worked out a vast scheme of reorganization of Soviet industries and transport, under which Germany would supply machinery, rolling stock, technical assistance, and

[8] Compiled from production and consumption figures for 1938, published in *Frankfurter Zeitung*, August 29, 1939, and the *Times*, London, September 30, 1939.

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credit approximating 2 billion marks ($800,000,000). This undertaking was interrupted by the events which placed Hitler in power; the Nazis, in fact, collected payment from Russia for equipment previously advanced, including 500,000,000 marks ($200,000,000) in gold. In the interim since 1934, when the German engineers returned to the Reich, there have been serious breakdowns and much sabotage in the Soviet plants. One of the reasons given for Stalin's rapprochement with Hitler was his urgent desire to get German experts back into Soviet plants, along with the necessary replacements for German-installed machinery.

On the other hand, German industry has been working at top speed for war needs. It also has suffered from lack of repairs. Just how much energy it can devote in wartime to supplying the Russian need for machinery remains to be demonstrated. Likewise, given the demand for skilled labor in the Reich, we cannot determine from the outside how many technicians can be spared for the Russian assignment. During recent years, however, one section of Germany's production plant has been working mostly for export. This factor acquires additional importance following recent British and French orders to blockade Germany's overseas exports. This means that German industry should be able to divert more plant capacity to work for Russia, Italy, the Balkans, and even Scandinavia. The one clear fact seems to be that the current Russo-German negotiations, in execution of the Trade Agreement of August 19, 1939, and the subsequent Molotov letter, involve revival, on an even larger scale, of the 1930–32 scheme for German reorganization of Russia's entire industrial and transport systems.

III. RUSSIA'S CAPACITY TO DELIVER: THE TRANSPORT DIFFICULTY

If we assume that with the aid of German engineers the Russian production of oil, iron, manganese, and timber could be increased to supply Germany's wartime demand, the problem would then be one of delivery. This is a key matter in the whole discussion.

1. *Soviet Railroads*

The railway system, the weakest link in Soviet economy, is organized for internal distribution rather than for export services via the ports. The general problem in new construction has been to build trunk lines between the production centers (*e.g.*, between

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the coal and iron fields and the steel mills) and to double-track the existing lines.

The Soviet Government inherited 58,549 kilometers of first track from the Tsarist régime, which they increased by 1938 to 86,500 kilometers; and they added 26,900 kilometers of second track (including a fractional amount of third and fourth track). The railroads carry 90 percent of the total freight. The Third Five Year Plan calls for construction of 11,000 kilometers of new first track and 8,000 of second track.

The strain on the Soviet railway equipment is shown by the following table:

Existing Rolling Stock on December 31, 1937	
Trunk line locomotives in operation	17,700
2-axle freight cars	524,900
4-axle freight cars	121,000
Freight carried, 1937	516,700,000 tons
Freight (thous. ton-kil.), 1938	369,100,000
Average daily car loadings, 1938 (calculated in 2-axle cars)	88,046

With 45 percent more first track than in 1913, and the freight car capacity 2½ times greater, the actual goods carried in 1937 was almost four times more than in 1913, and the ton-kilometers almost 5½ times more. This increased traffic has been hauled by only 47.5 percent more trunk line locomotives (the weakest spot in the system, as more than half of the locomotives are now old or obsolescent). Further evidence of strain is noted in the increase of the average daily run of a loaded freight car from 75 kilometers in 1913 to 139.8 kilometers in 1937, and of the average speed from 14.1 to 19.6 kilometers per hour. In speeding up freight movements, the Soviet Government has created the greatest intensity of freight traffic in the world, 3 times greater than that of the United States and Germany, and 6 times that of France.[9]

Russia's capacity to deliver oil, Manchurian soya beans and manganese to Germany must be estimated with these facts in mind. Let us examine the three categories in turn.

There are four possible routes to deliver oil from the Caucasus to Germany: via the canals of North Russia; via Rumania; via the Danube; and over the Soviet railroads. The canal route is long and roundabout, and is frozen for five to seven months of the year, therefore it is of limited use. Soviet oil has always been exported through the Mediterranean, which is now blocked. It

[9] L. Volfson, A. Korneev, N. Shilnikov: "Razvitie Zheleznykh Dorog SSSR," Moscow, 1939.

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might be feasible, with pressure on the Rumanian Government, to transship a certain quantity of oil at Constanța for carriage over the Rumanian and Hungarian railways to Germany. Barges can go up the Danube, but in restricted numbers because of the congestion, the shallow mouth of the river, and the rapids of the Iron Gate. The Danube is usually frozen from December to February. Main reliance must inevitably be on the Soviet railways.

To deliver 8,000,000 tons of oil in one year from the Caucasus to Germany, a distance of 3,500 kilometers, the following schedule would be required: daily distance travelled, 139 kilometers; time en route, 25 days; daily arrival in Germany, 22,000 tons; daily arrival in Germany in trains of 50 cars, 22 trains; daily arrival in Germany of 20-ton tank cars, 1,100 cars.

For twenty-two trains to arrive every day, with another twenty-two spaced for every day in the twenty-five days en route, would require 550 trains, containing 27,500 tanks, constantly under load of oil. To allow for the returning empties this figure must be doubled, making a total requirement of 55,000 tank cars.

But there existed in the Soviet Union on December 31, 1937 only 19,088 4-axle tank cars. Between 1928 and 1937 Soviet factories built 14,236 4-axle tank cars. Of these 4,000 were constructed in 1937, indicating greatly increased output. The number of 2-axle tank cars cannot be determined from Soviet statistics, other than the fact that 6,500 have been built since 1932.

Leaving a wide margin for underestimation of the existing equipment, we would seem safe in assuming that the entire number of Soviet tank cars, if assigned exclusively to the German order, would fall 50 percent short of the performance necessary to deliver 8,000,000 tons of oil in one year. Nor can it be expected that the Soviet planners would put so much capital and energy into the construction of so many tank cars that would be useful only during the period of Germany's war emergency. Moreover, the oil must be moved over the Soviet railroads of the densest traffic, in the Ukraine. These, and other difficulties, add up to form a belief that the whole oil transaction is too colossal for the existing Soviet equipment. What German engineers could make of the situation, however, given two years' time, must be kept in mind as a qualification of this conclusion.

A similar chart may be offered in regard to the transport of 2,351,000 tons of soya beans in one year from the Manchurian

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border to the new Russo-German frontier, a total distance of 7,000 kilometers: time en route (at 139 kilometers per day), 50 days; daily arrival in Germany, 6,500 tons; daily arrival in Germany in trains of 50 cars, 6½ trains; daily arrival in Germany in large cars of 20-ton capacity, 325 cars.

On the basis of an average of 6½ trains arriving every day, and fifty days needed en route, there would be constantly under load of soya beans 325 trains containing 16,250 large freight cars. In this case all the cars would not return empty. These figures would be doubled if the soya beans had to be carried in the 2-axle freight cars which, because of the bulk of soya beans, can carry no more than 10 tons. The transaction, under these conditions, would involve 13 trains arriving every day, with 650 trains en route, containing 32,500 cars. This would be a colossal task for the already crowded Siberian railroads.

Now let us consider the transport of manganese. To deliver 720,000 tons of manganese ore from Nikopol (Ukraine) to German blast furnaces in one year, a total distance of 2,000 kilometers, the schedule would be as follows: time en route, 14 days; daily arrival in Germany, 2,000 tons; daily arrival in cars of 20 tons, 100 cars.

With two trains arriving every day, and fourteen days taken en route, there would be constantly under load of manganese ore 28 trains containing 1,440 cars. The shipment of the required manganese ore would thus be a more feasible transaction.

Whatever the amount of war supplies Russia can deliver to Germany, transshipment from the broad gauge to the standard gauge cars at the new Russo-German frontier presents a labor problem. This may be readily solved by the use of Polish prisoners and other forced labor. A further difficulty exists, at present, in the condition of the Polish railways after the German invasion. Many bridges were blown up, for example, or destroyed from the air. Also, the German railroads have been unable to meet their own traffic demands; in 1938 only one-fifth of the orders for locomotives within Germany could be filled because of the diversion of locomotive plants to the armaments industry.

Considered separately, the delivery to Germany of oil, soya beans and manganese ore is in each case a job which would greatly tax the Soviet facilities; and, except in the case of manganese ore, none of them could be executed except in part. Considered as a whole, the simultaneous transport of these three raw materials in

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quantities sufficient to meet German needs is an assignment which obviously the Soviet railways cannot execute.

IV. HOW CAN GERMANY PAY?

By the Trade Agreement of August 19, 1939, Germany granted Russia a 200,000,000 marks credit for the purchase of German goods over two years. It is to be paid back nine-tenths in raw materials. Russia demands from Germany high grade machinery and the latest types of aviation and naval instruments. How these demands are to be met remains to be determined. If German industry were to work adequately for the repair of Russian plants, and to supply new equipment, Germany's ability to work for her own war needs would be cut. On the other hand, if the war in the West continues without the big offensives that consume *matériel* rapidly, German industry can accumulate stores of war equipment and may at the same time resume manufacture for export. At the present moment, it seems unlikely that Russia will realize on the specific credit offered. In November 1939, Germany had no foreign assets whatever. The German gold reserve may be 500 million marks, but it is impossible to know how much gold was expended prior to the march into Poland. Expropriation of all the private gold in Germany, in the form of jewelry, sacred vessels, etc. could not yield more than an estimated 500 million marks.

Certain stunts, however, are possible. The Reich Government could decree the abolition of the use of tobacco, and order the usual German supply earmarked in Bulgaria sent to Russia instead, meanwhile filling Bulgaria's usual orders of sundry goods. Against the credit thus acquired for Germany's account, Russia could ship raw materials direct to Berlin. Such three-cornered arrangements are complicated and never could attain a sufficiently large scale. They are based on an inescapable further lowering of the standard of living in Germany, already very low. What caused the bitterness in 1917 was not only the famine conditions per se, but the fact that some Germans had plenty while others starved. The Nazis have the power to distribute sacrifice equally throughout the whole population. There is no way to measure the amount of suffering the German people can endure provided they all fare alike.

More extraordinary foreign assets may be realized by Germany through agreements with other states for the repatriation of German minorities into the Reich. Thus the German-Estonian

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Agreement of October 15, 1939,[10] contains clauses whereby securities, mortgages, etc. of the departing Germans are immediately placed under the control of the German Legation in Tallinn for transfer to the "German Trust Administration" to be formed at the German Consulate. This Trust will have charge of realizing on all the cash, real property, industrial and commercial enterprises, etc., of the former German residents of Estonia. It is estimated that they owned property valued at 50–100 million dollars; while the belongings of Germans elsewhere in the Baltic would increase the figure to 500 million dollars. If all the Germans are repatriated on similar terms from Italy, Denmark, Hungary, Rumania and Jugoslavia, the amount of valuta realized by the German Government might well reach 4–5 billion dollars. Such a sum would more than cover Germany's adverse foreign balance in war materials and foodstuffs. The absence of any time limit in the Estonian Agreement, for the transfer of assets realized from the properties concerned, leaves the way open for Germany to demand immediate delivery of raw materials on account.

V. SUMMARY

From the above facts and estimates the following may be deduced:

1. Russia cannot supply Germany with fats, iron ore, non-ferrous metals, rubber or cotton.

2. Russia can meet Germany's deficiencies in manganese ore and timber; and, with a year's interim for increasing the sown area, can meet any grain shortage likely to occur. How much barley Russia can produce and transport to Germany for fodder remains to be determined.

3. Russia can produce sufficient oil for Germany's extraordinary needs in war, but on condition that Germany supplies the equipment and technical assistance to reorganize Soviet industry and transport. Such reorganization would probably take two years.

4. Russia cannot at present deliver sufficient oil to enable Germany to undertake a large-scale offensive without risk of exhausting Germany's oil reserves; and cannot transport soya beans from Manchuria in quantities sufficient to solve Germany's fat problem. Russia at present offers a partial solution, but

[10] Text of financial and economic clauses of the German-Estonian Agreement of October 15, 1939, published in *The Financial News* (London), October 23, 1939.

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not decisive aid, in regard to Germany's deficiencies in oil and fats.

5. Since German industry is already overtaxed by war tasks, it is unlikely that the German Government can or will pay for raw materials exclusively in the currency that Russia demands, namely, high grade machinery and instruments. Further, transport costs over immense Russian distances will mount up to two or three times the price of the products themselves. However, in the search for means of payment in the past the Nazis have shown a genius for surprising stunts. Conceivably they might let the Bolsheviks acquire the German ships interned in Russian ports, including the *Bremen*. But the most promising method of payment would seem to be through the foreign exchange acquired by the sale of properties owned abroad by the German minorities now in process of repatriation to the Reich.

6. It is suggested, therefore, that in a short war of big offensives Russia cannot give decisive aid to Germany. But if the present siege war lasts for two years, without major battles, so that there is a minimum expenditure of war materials in the field, and granted that Germany has time to accumulate war stocks and reorganize Soviet industry and transport, then Russian aid might well be decisive in determining the military outcome in the West. This presupposes, however, that Germany's internal structure could withstand a two-year siege, and that Russia would be willing to sacrifice domestic needs in order to aid Germany. Which is by no means certain.

VI. RUSSIA'S WILLINGNESS

For many years Soviet industrialization proceeded under the forced draft of having to pay for imported machinery by exporting raw materials and foodstuffs needed at home. Soviet "dumping" was a problem of the world market in the early '30's. But the need to force exports has been remedied by increasing the gold production. Russia has achieved what may be considered an independent position in foreign trade. The Soviet plan is to outstrip capitalist countries by the utmost development of domestic resources. Abnormal increases in exports, therefore, depend upon the willingness of the Soviet Government to sacrifice the needs of domestic plans for the sake of external political objectives.

Stalin has proclaimed a policy of trading with all countries. The Bolsheviks are realists. Therefore they probably will avoid becom-

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ing involved in the European war while at the same time taking every opportunity to strengthen Russia's defense toward the West, against the day of possible renewal of the *cordon sanitaire* of 1919, or even of the German *Drang nach Osten*. As a result of the re-division of Eastern Europe, her acquisition of a dominating position in the eastern Baltic, and the prospect of securing a foothold in the Balkans, Russia holds the balance of power in continental Europe. Stalin is not likely to yield that vantage in diplomatic manœuvre except to superior force. So long as Russia holds the balance, the Soviet Government will probably view the supply of Germany as a strictly business transaction.

But what if Russia's newly acquired position were upset by an Allied victory in the West? The ensuing changes in the political line-up might conceivably cause the Bolsheviks to extend their reach. Bolshevik doctrine predicts as inevitable the downfall of capitalism and imperialism (the British, French, and Dutch Empires). If blockaded Germany should become desperate enough for the Nazis leaders to be willing to pay in any amount for Russian military aid, in order to ward off the imposition of a Carthaginian peace, and if at that moment it seemed possible for them to shift the German National Socialist revolution over to the Bolshevik rails, then Russia might agree to advance supplies and other assistance on long credit, even at the sacrifice of domestic needs. The two revolutionary régimes would then face the historical task of working out the problem posed by the logic of European geography: a marriage of the German surplus of skill and manpower with Russian space and natural wealth. A military alliance between the two revolutions is the nightmare of the West. On the other hand, an economic partnership, without military objectives, might provide a useful outlet for German energies and talents.

The answer to the general question of the decisiveness of Russia's aid to Germany must therefore be conditional. The longer the war lasts, the more effective that aid should become. But Russia is not likely to make real sacrifices for Germany unless the internal situation there becomes ripe for deepening the brown complexion of National Socialism to the color which Bolsheviks prefer.

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THE REALITY OF INTERNATIONAL LAW

By Philip C. Jessup

"The law had been broken by a sea Power but was still the law; it was necessary that this should be brought before the public mind. The law was not like a teacup or a pitcher which, once broken, was irretrievably ruined." — Elihu Root at the Washington Disarmament Conference of 1921.

THE *City of Flint*, flying the American flag, sailing from New York to England, was captured in October 1939 by a German warship and taken by a German prize crew to a neutral port. The case raised serious questions involving the interests of Great Powers. As this article is written, the four governments concerned — the United States, Germany, Norway and Russia — have been arguing the case not in terms of force or power, but on principles of law — international law. Throughout modern history, similar cases have arisen on the high seas over and again, and for three hundred years governments have habitually argued them on the basis of the applicable rules of international law. For three hundred years, belligerents have habitually established "prize courts" to adjudicate the lawfulness of such captures. The Belgian prize court, dealing with a World War case, remarked that "although it has not been codified, prize law is nevertheless governed by certain essential and precise rules. . . ." "A Prize Court must of course deal judicially with all questions which come before it for determination," said the Judicial Committee of the British Privy Council in Great Britain in 1916. ". . . the law which the Prize Court is to administer is not the national . . . law, but the law of nations — in other words, international law." Search the published records of governments and you find them full of questions and answers about problems of international law.

Why do Foreign Ministers and Secretaries of State consult legal advisers about international law?

In the Department of State in Washington there is a Legal Adviser with a staff of some two dozen lawyers to assist him. It would not be an unfair estimate to say that 90 percent of the business of the Department passes over the desk of one of the legal staff. Of that 90 percent, about an equal percentage involves questions of international law; the 10 percent balance is made up of questions of domestic statutory and other branches

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of private law. The situation is much the same in the Foreign Offices in Downing Street, the Wilhelmstrasse, the Quai d'Orsay, and in the other capitals of the world.

The layman and the common lawyer who find it difficult to fit international law into their concept of "law" — a concept which is generally of the Austinian type — usually are alike in asserting that there isn't any international law. They forget that law has many meanings. There is the law of gravity, the Sherman Anti-Trust law, the law of supply and demand, international law. There is an old Chinese proverb which runs something like this: "One should always have in the background of one's mind a multiplicity of definitions covering the subject at hand, in order to prevent oneself from accepting the most obvious." And Cardozo said: "*If* the result of a definition is to make . . . [facts] seem to be illusions, so much the worse for the definition; we must enlarge it till it is broad enough to answer to realities."

In most cases the layman is impressed by the reality of breaches of international law and is not sufficiently aware of the reality of reliance upon it. He does not pause to wonder why foreign offices bother to maintain legal staffs, which are an expense and sometimes a hindrance to the execution of policy. A distinguished student has remarked that in the seventeenth century "state papers are full of allusions and appeals not merely to reasons of policy but to principles of right, of justice and of equity — to the authority of public law and to those principles and rules by which the rights of the weak are protected against the invasion of superior force by the union of all who are interested in the common danger."

Why has this been true for three centuries? Why have the nations been willing for nearly twenty years to subscribe to a budget of over half a million dollars for the maintenance of the Permanent Court of International Justice? Why did the German Government bother to make a legal argument in support of its refusal to accept the demand of the United States that it assume the obligation to pay the bonded obligations of Austria after that country was "absorbed"? Why have the governments of the United States and Mexico filled reams of paper with legal arguments concerning the property rights of American citizens in the latter country? Why does the Constitution of the United States, which, according to Chief Justice Marshall, cannot be presumed to contain any clause which "is intended to be without effect,"

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give Congress the power "to define and punish . . . offenses against the law of nations"? Why has the United States Supreme Court, like the courts of most other countries, asserted that "international law is part of our law"? Why do people commonly emphasize the "lawlessness" of certain nations which have come to be known as "aggressors"? Why was our entry into the World War in 1917 justified in part by President Wilson on the ground that Germany had "swept aside" the rules of "international law"?

There must be some reason for this habitual invocation of international law — an invocation which is even more frequent than the assertion of its non-existence. Perhaps a subconscious human urge, a variety of wishful thinking, seeks to give reality to the ancient maxim: *ubi societas, ibi ius*. Perhaps "international law" is merely a slogan of diplomacy, like "manifest destiny," "the white man's burden," or "*Lebensraum*." Surely it is often a convenient weapon for a ministry of propaganda anxious to win the support of world opinion. Yet if international law has no reality, what is the use of convincing peoples in other lands that one's opponent is a violator of that law? Shall we chorus with the Pirate King: "A paradox, a paradox, a most ingenious paradox"? One would scarcely deny that international law is a comparatively weak sister of private law. Yet a great lawyer — John Bassett Moore — bears testimony as the result of wide experience and study that "international law is on the whole as well observed as municipal law."

The view opposed to Judge Moore's is usually inspired by ignorance of the uncertainties of municipal law and of the broad scope of international law. Two years ago Judge Hutcheson of the United States Circuit Court of Appeals, Fifth Judicial Circuit, was called upon to act as sole arbitrator in a case involving the international law governing belligerent and neutral rights. "It might be expected," Judge Hutcheson wrote, "that the Arbitrator, newly come to the house of international law, would stand hesitant and confused upon the threshold, unwilling to enter. . . . Especially might it be expected that because of his long accustomedness to and observance of the common law practice of precedent following, the Arbitrator might find himself, for want of binding precedents, lost in the maze of opinion and assertion of those who, having no authority by international mandate, either to bind or loose, freely and without reserve, attempt to do both. . . . One of those who has long believed that in 'the

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glorious uncertainty of law,' its ever changing content under the steady pressure of the changing life it serves, its continuous, though slow, progression from the actual to the ideal, is to be found its greatest source of strength, the Arbitrator has stepped confidently over the threshold into a new wonderland of law, fascinated equally by 'the glorious uncertainty' of international law, the delicacy and precision of its formal adjustments, and by the greatness of its unquestioned testimony to the fact that not force, but just opinion, is at last the source of law, at least with lawminded nations and peoples, and particularly with the United States and Great Britain."

It is true, as Professor Goebel has noted, that international adjudication in the twentieth century is in the primitive stage of development which one finds in the law of the Franks in the seventh century. And this is necessary and proper because the international society is still in a primitive stage struggling slowly through the centuries to lift itself from the bog of national superstitions and taboos — the taboo of "absolute sovereignty," for example. It still lacks an effective system of law courts, it lacks sheriffs and police forces, it lacks a legislature. It is often flouted and often the lawbreaker pays no penalty. Sir Austen Chamberlain told the House of Commons in 1929 that international law is "indeterminate in the first instance, and in the second it is a changing law." It also has loopholes. Lord Napier, British Minister in Washington, reported to the Earl of Malmesbury in 1858 that Secretary of State Cass "has admitted to me that the course of action . . . [of the United States] may not be strictly consistent with the principles of international law as commonly laid down . . . but he pleads a high expediency and necessity. He has observed to me that international law is 'not a stationary law,' intimating that it must be expanded and accommodated to the increasing necessities and altered views of the civilized world." But General Cass did not go so far as to deny the existence of international law.

Pass over the seventeenth, eighteenth and nineteenth centuries, if you will, as three months in which the infant international society was learning to crawl. Be amazed at the prodigy which is able to take its first steps. Let your amazement be of the type which Dr. Johnson believed applicable to the dog who walked on his hind legs. The layman's severest criticism is directed to international law's frailty in what we are beginning

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to call the First World War. Some would admit that there may have been some international law before the war, but assert that the law of nations was surely one of the war casualties. What is the record? Have governments acted on that assumption since 1919? What progress, if any, was made in that "postwar" peace which now looks like merely a long armistice?

Let it be said at once that it is absurd to assert that governmental policies of any nation are determined solely by reference to legal considerations. Only a doting parent would make a claim so patently oblivious to the infant's obvious defects; and Grotius, who is called the "Father of International Law," is not here to speak.

Attention has already been called to the fact that in every war prize courts function in belligerent countries. At times the judges have revealed bias and the influence of patriotic emotion. Comparable revelations have appeared in the decisions of ordinary national courts; read, for example, the history of the Dred Scott case in Charles Warren's history of the Supreme Court. By and large, prize court judges have acted judicially and some prize court judges, like Stowell, Story and Portalis, have become great figures in legal annals. It is curious but true that prize law which is applicable only in time of war is that branch of international law most similar to national law in that it is regularly interpreted, applied and enforced by national courts.

There is also an extensive body of international law regarding the treatment of prisoners of war. This law is largely embodied in great multipartite treaties signed at Geneva and The Hague. Surely such rules were disregarded in the World War? On the contrary, despite numerous cases in which mistreatment of prisoners was charged, the legal system operated effectively under the auspices of the International Red Cross and various neutral governments. Don't take the word of theoretical international lawyers; read "Prisoners of War" by Major Herbert C. Fooks of the A.E.F. It may be surprising to find, for instance, that during the World War, in accordance with The Hague regulations, Germany paid to captured French officers their monthly salaries and France similarly paid the captured German officers. The United States and Germany made an agreement during the war on the rate of pay for all grades.

The Preamble of the Covenant of the League of Nations recites that the Covenant is accepted "In order to promote international

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co-operation and to achieve international peace and security . . . by the firm establishment of the understandings of international law as the actual rule of conduct among Governments." A first step was the establishment of the Permanent Court of International Justice. The jurists who framed the Court's Statute in 1920 urged that the League take steps to secure the codification of international law. After careful preliminary explorations, the First Conference for the Progressive Codification of International Law met at The Hague in 1930. The subjects on the agenda were Territorial Waters, Responsibility of States for Injuries to Aliens and Nationality. The results were very meagre, to say the least, and discouraged the convocation of a second conference. Yet the process continued. It continued along two lines, both of them familiar, both unspectacular, both slow. One line was the treaty line which has come to enjoy the name of "international legislation." The other was the line of private endeavor whose course we may trace first.

Private initiative in developing international law, as distinguished from governmental initiative, has long been a familiar phenomenon to students of the subject. The Institut de Droit International had labored long and diligently before the First Hague Peace Conference met in 1899 as a first notable general international conference of government representatives seeking to bring certainty to some of the rules of international law. "I think it is not generally understood," Elihu Root told the American Society of International Law in 1915, "that the first conference at The Hague would have been a complete failure if it had not been for the accomplished work of the Institut de Droit International. . . . It would have been impossible for the Hague Conference to do that work or one tithe of it if they had not had the material already provided." Common lawyers in the Admiralty field had known the process. They could trace the evolution of the familiar York-Antwerp Rules of General Average from the efforts of the Association for the Reform and Codification of the Law of Nations through the coöperation of underwriters, shippers and shipowners. The field of maritime law offers other striking instances of the same process. One example may be adduced since it illustrates a combination of forces in the international legal field. The French steamship *Lotus* collided on the high seas with the Turkish steamer *Boz-Kourt* in 1926. Several Turks were killed and Turkey instituted criminal proceedings

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against the officer of the *Lotus*. France protested and finally agreed with the Turkish Government to submit to the World Court the question whether Turkey had violated international law by thus assuming jurisdiction with reference to the acts of a Frenchman on a French ship on the high seas. The Court decided in Turkey's favor. The International Association of Mercantile Marine Officers did not like the result and, just as happens so often in the field of domestic law, set about to have the law, as declared by the Court, changed. There was no international legislature in whose lobbies they could argue, but they appealed to the League of Nations, the International Labor Organization and the International Maritime Committee. The last, a private group, set the wheels to grinding and finally prepared a draft treaty which would provide that in such a collision case in the future, it would be the State in the position of France which would have the sole jurisdiction. The treaty has not yet received the ratifications which would make it a part of the general law of the sea, but the awkward, badly oiled machinery of international legislation is in motion.

In other fields, the Institut and other private organizations have continued their work. In the United States, the Research in International Law under the Auspices of the Harvard Law School has made, over a period of twelve years, contributions which cannot yet be measured. The Pan American movement, less ambitious than the League of Nations and perhaps for that reason less afflicted by setbacks, includes the work of codification committees composed of scholars but working under governmental planning. Some of the results of this work are already to be found in treaty form; more is in process of gestation.

The lines merge, since private endeavor usually has found its outlet in treaties. The postwar international agreements which have been registered with the League of Nations and which are published in the League's "Treaty Series," occupy about thirty feet of shelf space. Those of the treaties which have been broken would fill perhaps six inches of shelf. An absurd mechanistic comparison no doubt: the Briand-Kellogg Pact takes but 3 pages, while the Madrid Telecommunication Convention of 1932 requires 480 pages. Yet the comparison has its meaning, for the process of international legislation since the war has developed enormously. Within its scope are treaties on Unification of Pharmacopœial Formulas for Potent Drugs; on the Regulation of Plaice and

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Flounder Fishing in the Baltic Sea; on Reparations; on the Conflict of Nationality Laws; on Arbitration; on the Regulation of Hours of Work in Commerce and Offices; on Radio and on Aircraft; on Automotive Transport and on Facilitating the Procedure in the case of Undischarged or Lost Triptychs. In short, the index to a collection like the six volumes of Hudson's "International Legislation" reveals as much variety of subject matter as the index to the United States Statutes at Large. Scarcely a field of human endeavor is left untouched, be it art, labor, health, transport by air, land or sea, communications by post, wire or radio, science or politics. Moreover, the widely unappreciated fact is that these treaties embody rules by which all these phases of the life of the world are governed day in and day out. That statement will be challenged as being too broad. Surely the most devoted international lawyer will not assert that the politics of the world are governed habitually by these treaties. Perhaps not. Certainly many of them have been violently cast aside and others have been evaded — just as was the Volstead Act and all too often the Sherman Anti-Trust Act.

Grant, however, the multitudinous instances of broken treaties in the affairs of large moment. They emphasize again the weaknesses of international law and the defects of the international society. They do not obliterate, although they do overshadow, the humdrum routine application of international law to the ordinary life of the world, much of which is as uninteresting to the newspaper reading public as the trespass of Farmer Smith's cows or John Jones' breach of his contract to buy a washing machine.

The picture is not complete without some reference to the scores of *ad hoc* international courts which have functioned in the years since 1920. In the year 1929–1930, for example, thirty separate international tribunals were functioning. The German-American Mixed Claims Commission, set up under the agreement of 1922, dealt with a docket of some 13,500 cases involving about one and a half billions of dollars. By and large, judgments for money damages have been paid although the record of the United States-Mexican Claims Commissions has been distinctly spotty. The sovereignty of Denmark over the vast area of Eastern Greenland has been judicially established and acquiesced in by the rival claimant, Norway. Other important boundaries have been fixed and accepted.

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This is no place to trace the development of many rules of customary international law which have been discussed by governments and by national courts. Some of these rules have run the course which the late Mr. Justice Cardozo described when speaking for the Supreme Court in *New Jersey* v. *Delaware* (291 U. S. 361): "International law, or the law that governs between states, has at times, like the common law within states, a twilight existence during which it is hardly distinguishable from morality or justice, till at length the *imprimatur* of a court attests its jural quality." Other rules remain in or have been plunged into a state of uncertainty.

In an address before the Council on Foreign Relations on August 8, 1932, Secretary of State Stimson reviewed three years of development of the Pact of Paris for the Renunciation of War. He sketched the parlous condition of international relations which had led to the conclusion that another war would mark the end of our civilization. In 1928, he said, by this Briand-Kellogg Pact, "War between nations was renounced. . . ." He added: "This means that it has become illegal throughout practically the entire world. . . . Hereafter when two nations engage in armed conflict either one or both of them must be wrongdoers — violators of this general treaty law. We no longer draw a circle about them and treat them with the punctilios of the duelist's code. Instead we denounce them as lawbreakers. By that very act we have made obsolete many legal precedents and have given the legal profession the task of reëxamining many of its codes and treatises."

In 1932 this analysis of the Pact of Paris had just begun to be tested in Manchuria and Mr. Stimson's name was attached to the non-recognition doctrine which was designed to confirm the analysis. In 1939 "Manchukuo" still exists. Japanese forces are in control of large areas of China. League sanctions have failed to save Ethiopia. Albania, Austria and Czecho-Slovakia no longer exist to be members of the League. War is raging in Europe and governments are not treating the war as illegal; they are proceeding as in the past to "treat them with the punctilios of the duelist's code" — though the figure may be a trifle extreme.

Great Britain and Germany have issued their contraband lists in the traditional manner of belligerents. Non-participating states have proclaimed their neutrality. In the United States, President Roosevelt has urged Congress to get back to international law.

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Secretary Hull has formally declared that "The Government of the United States has not abandoned any of its rights as a neutral under international law." The British have charged that Germany sank the *Athenia* in violation of international law. Germany denies the charge and points to the numerous reports of courteous submarine commanders who have observed the letter and spirit of the London treaty of 1936, to which some forty-seven states are parties, regulating the operations of submarines against merchant vessels. The old argument about the status of armed merchantmen has been revived. The Northern European governments have acted in concert as they did in 1914 and in the promulgation of their joint neutrality rules of 1938. Prize courts have begun to apply their concepts of international law in the adjudication of controversies over captured or sunk ships and cargoes. It is all very well to pooh-pooh these legal phenomena or more learnedly to say *inter arma leges silent.* They remain facts which bear testimony to the human resort to law even in the midst of lawlessness.

The Kellogg Pact has not fulfilled the high hopes of its sponsors. The Eighteenth Amendment was once called "a noble experiment"; repeal brought it to an ignoble end. History has demonstrated that war cannot be abolished by fiat so long as the underlying conditions producing war are not cured and alternatives to war are not provided. Had the Covenant of the League initiated viable procedures for "peaceful change," the Kellogg Pact would have had a real place in the international system. "Vaulting ambition o'erleaps itself" in affairs of kings and nations. None doubts the need for improvement in the organization of the international society, but few have the patience to build it slowly for posterity.

Impotent to restrain a great nation which has no decent respect for the opinion of mankind, failing in its severest test of serving as a substitute for war, international law plods on its way, followed automatically in routine affairs, invoked, flouted, codified, flouted again but yet again invoked. The Legal Adviser of the United States Department of State still sits at his desk in the old State, War and Navy Building in Washington and his counterpart sits at Downing Street, the Quai d'Orsay and the Wilhelmstrasse. It is not their task to frame policies. But can one say that the international law with which they deal has no reality?

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BLITZKRIEG

By Henry J. Reilly

"BLITZKRIEG" or lightning war is not a German term for just any kind of quickly waged and violent war. It is a name for a special kind of quickly waged and violent war which has a technique of its own. The ideas which lie back of this technique began taking shape in Germany in the period after the failure of either the Allies or the Germans to break through on the Western Front during 1915 and 1916, and they matured after the outbreak of the civil war in Spain.

While some of the guiding conceptions of the Blitzkrieg were tried out in Ethiopia, the results were not considered conclusive. The Ethiopians were a semi-savage people, and they lacked the modern armament and equipment necessary to offer the Italian invaders the kind of resistance essential if Blitzkrieg were to receive a real and complete battlefield test. But Spain furnished a fine proving ground. Then Albania was a dress rehearsal. And in Poland the system was put to the final proof.

The technique of Blitzkrieg is based on the principle of surprise as opposed to an effort to crush an enemy by bringing an overwhelming superiority in numbers and armament to bear against him. It can be likened to the swift and deadly thrust of a rapier as opposed to the crushing blow of a battle-axe or a war club. The objective is not the enemy civilian population but the enemy armed forces, both ground and air.

From the days of earliest military history, surprise has played a prominent part in winning victory. When coupled with better tactics — that is, superior methods of combat on the battlefield — surprise has always given victory against an enemy that relies on superior numbers and courage.

The Christians talked of "Mongol hordes" in an effort to explain their own quick and bloody defeats at Mongol hands. There were no military Mongol hordes in superior numbers. Probably the Christians outnumbered the Mongols in all the battles fought. But the Mongols used their ability to make long, hard marches on their tough Asiatic horses to take by surprise the slow-moving, ponderous masses of knights, men-at-arms and foot soldiers composing the Christian armies. In battle the Mongols had a definite tactical scheme. First their mounted archers, keeping out of reach

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of the Christians, shot holes in their ranks. When in consequence a certain amount of confusion had been created, then — and only then — did they charge. The Christians had no tactics in the proper sense of the word. They simply moved forward *en masse*, trusting to courage and numbers.

The war of 1914–1918 offered a parallel, so far as fundamentals are concerned. The Allies, conscious of their superior potential resources, leaned strongly towards the idea of crushing Germany and Austria-Hungary by sheer weight of numbers and metal. Too many of the Allied conferences held during the early years of the war resulted in nothing but an agreement for all the Allies — West, East and South — to make a simultaneous general attack.

The Allies adopted the usury idea of wearing the enemy down by killing and wounding large numbers of his troops. This method seemed particularly attractive because the enemy was distinctly inferior in man power. But it produced the really terrible Allied casualty lists. Nor did it result in any military advantage sufficient to compensate for even a fraction of the losses.

The artillery preparations for the large-scale Allied and German attacks were kept up for days at a time. Enormous quantities of shells were "dumped" on enemy positions. Yet again and again when the infantry went forward they found enough enemy machine guns still in action to cause enormous losses. What was worse, while ground would be captured, the expected crumbling of the enemy and the opening of a path for a break-through to decisive victory did not materialize. The Allied attacks on the Somme, the German ones on Verdun, are the best examples of the fallacy of the idea of crushing an enemy by usury methods.

As a consequence of these failures, leaders began seeking more and more for methods based on superior tactical skill and on surprise. Von Mackensen's break through the Russian line on the Dunajec River in 1915 was an example of superior tactics. He used the artillery rolling barrage to protect his advancing infantry — the first time such a barrage had been used on a large scale.

The successful British attack with tanks at Cambrai was a surprise. It was successful because of the use of a new instrument of war; the tank surprised the Germans. The successful German attack on the Russian Riga line was a surprise attack without a warning artillery preparation. The artillery gave close support to the infantry during its forward advance. In this advance there was no rigid timetable, with the infantry advancing at a given

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rate per minute back of an artillery barrage which moved forward according to a precise schedule. Instead, the artillery concentrated its fire on the localities in the enemy line which were the strongest and could offer the greatest resistance to the attacking infantry. While this was going on, the attacking infantry pushed in around the flanks of those positions and cut them off. If they did not surrender, infantry was left to watch them while the main force went on. This happened regardless of whether or not troops on the right or left kept up. A considerable number of heavy trench mortars and light artillery kept up with the infantry to smash opposition where they could, and, where they could not, to smother it with a concentration of fire, while the infantry broke through the weaker spots and outflanked and cut off the stronger ones. The attack was like a tide coming in, rushing around the rocks which it cannot roll forward as it does the pebbles and shells. But the tide nevertheless finishes by submerging the rocks.

The success of the Riga experiment led to the use of the method on a large scale against the British in March and April 1918, and against the French in May. These surprise attacks, employing new artillery and infantry tactics, were so successful that in each case they just missed achieving a complete break-through. Victory for Germany would probably have been the result had a break-through occurred. Fortunately, the Germans lacked the reserve necessary to keep the attacks going; while the Allies possessed reserves enough finally to stop them. The Germans were exhausted just as a break-through seemed imminent.

The attack of July 15 and 16, 1918, from Château-Thierry on the Marne to Rheims, and thence across the Champagne to the Argonne Forest, was the last occasion when the Germans made this sort of an attack on a large scale. From just east of Château-Thierry to Rheims the attack penetrated deeply and threatened a break-through. However, in the Champagne new defensive tactics were used. Only a few men were left in the front line and the artillery and infantry were echeloned in depth. They barely succeeded in stopping the Germans.[1] Once again, the probabilities are that the Germans would have broken through had they possessed the reserves to continue the attack.

Then came the Franco-American counterattack from Château-

[1] The author was in the line near Suippes during this attack and was an eyewitness of how narrow was the margin of victory for the French and Americans.

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Thierry to Soissons, begun on July 18. It drove deep into the western flank of the German salient which had been made by the May attack and enlarged by the successes on July 15 and 16 between Château-Thierry and Rheims. The continuation of this attack, and the tremendous increase in the Allied reserves due to the continuous arrival in France of the American troops by the hundreds of thousands, robbed Germany of the initiative and put her on the defensive until the Armistice ended the fighting.

However, neither the events themselves nor the ensuing German defeat were evidence that the new method of attack was wrong. On the contrary, the more the record of the fighting was studied the clearer it seemed that the method of surprise attack was correct. Such was the origin of the idea of the Blitzkrieg, which gradually developed in German minds. It offered a technique of successful surprise and of the exploitation of it by tactics which could rapidly be adjusted to meet successfully each local situation, rather than a plan of formal tactics based on artillery and infantry timetables rigidly laid down before the battle.

However, the children of the gas engine — the tank, the armored car and the airplane — played only a limited part in the German attacks which I have described above. The Germans had but few tanks. Their airplanes did a limited amount of bombing and machine gunning of troops on the ground; but the technique had not yet been evolved for enabling airplanes to give full and continuous support in an attack.

The British and French, however, had developed the tank and had been devoting considerable effort to a study of its best tactical uses. From the beginning their views diverged into two separate conceptions. The French considered the tank as an accompanying weapon to help the infantry overcome enemy machine guns and move forward. They therefore distributed it along the line of the attacking infantry. The British used this type of tank tactics also. But more and more a school developed in England which wanted the tanks utilized in groups, to smash a hole entirely through the enemy line; the tanks would use their own speed and fire power and would not be held down to the pace of the accompanying infantry. In general, the partisans of this plan wished to revive something like the crushing charge of the armored knight against the unarmored foot soldier.

On August 8, 1918, such an attack was made. It was a great success. The lack of morale shown by the German foot soldier on

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this occasion caused Ludendorff to call August 8 the black day of the war. Believers in the tank as a weapon in itself, as opposed to the conception that it was merely a weapon to support the infantry, were jubilant.

The leader of this school of thought was General Fuller, who, I believe, possesses one of the most brilliant military minds so far produced in this century. Since 1918 he has had more to do than any other soldier with developing the uses of the tank, armored car and other motor vehicles for land combat. In planning the Blitzkrieg, the Germans adopted many of his ideas. Another officer whose brilliant military mind has helped shape the Blitzkrieg technique is an Italian, General Giulio Douhet.

Soldiers have long studied the problems involved in breaking through a relatively short front when there is a dense population in the rear trained and ready to come to arms within a few days. Some believers in the growing power of aviation argued that the airplane provided the answer. Airplanes would bomb the civilian population and so shatter their morale that whether or not the nation had been trained in universal military service it would sue for peace even before its army had been beaten in battle.

General Giulio Douhet's name has been erroneously attached to this idea. What he advocated was the preparation in time of peace of a large aviation force which, when war comes, will be ready to take off into enemy country without delay. Its objective would not be the civilian population, but the things used by a country first to mobilize and then to concentrate its war strength. "Mobilization" is calling to the colors the civilians who form the trained reserve. This takes time. "Concentration" is moving the units of the army, after they have been raised to war strength, from the places of local assembly — by rail, ship, bus and on foot — to the localities where they are to commence fighting. This also takes time. Thus the essential in each of the two processes needed to bring even the most modern, up-to-date army to the point where it can become effective is *time*.

But a large aviation, prepared in advance, needs no time in order to become effective. It already is mobilized and concentrated. It can start immediately for its goal. From this fact there followed a logical deduction. Why not use an air force against those means which an enemy uses, first to mobilize his troops and then to concentrate them? The means in question consists of barracks, stables, gun sheds, arsenals, railways, railway stations,

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bridges, ships, docks, electric light plants and power plants of all kinds. As Douhet conceived it, aviation would be used to make a surprise attack; but the surprise would not be in respect to the places attacked but in respect to the moment of the attack.

Up to the start of the Italian campaign in Ethiopia those military experts who were trying to decide what new equipment science and industry had placed in the locker of Mars, in order to make more effective use of the age-old principles of surprise, had reached three main conclusions: 1, despite the development of trench systems, surprise based on adequate artillery and infantry tactics was still feasible; 2, under certain circumstances, an attack of a large number of tanks can produce an effect which is decisive locally if not for the whole front; and 3, the essential factor is time. Even nations with conscript armies need a period of about ten days to complete mobilization, and a further period for concentration. Now no nation can afford to mobilize and concentrate its full body of troops in peacetime as a merely precautionary measure, still less can it remain in that condition indefinitely. Therefore, the period required by a potential enemy for mobilization and concentration provides an opportunity for effective surprise; and this is a type of attack for which the machine children of the gas engine are especially fitted.

It was to prevent a German surprise attack of this sort that the Maginot Line was conceived and built. Knowing that partially garrisoned fortifications can be captured by surprise, the French created a special corps of troops to garrison it permanently.

Ethiopia provided new experience and new ideas. I shall not go into details. Suffice it to say that the Italians found that while aviation alone could seriously damage the enemy by bombing points of military importance out of artillery reach, such bombings did not produce decisive results. Only when the aviation acted in direct support of troops operating on the ground were decisive victories gained. They also found that tanks operating alone not only failed to produce decisive results but frequently were in great danger, and sometimes were lost, when surrounded by enemy infantry. They found, further, that tanks operating in conjunction with infantry, artillery, cavalry and aviation as well produced excellent results.

In other words, the conclusion reached in Ethiopia was that tanks and aviation, far from replacing ground troops in any way, simply added two more essentials to an up-to-date army. Further-

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more, despite Italian achievements in road building, the Italians found as they advanced that mechanized transport was not a substitute for animals if their troops were to be able to fight and were to be supplied anywhere and everywhere. In Ethiopia, the Italians used many thousands of horses, mules, donkeys and camels. In other words, neither in combat nor on the march had the gas engine and its progeny replaced the known tools of war. They had simply added to their number. However, due to the speed of the new mechanical instruments, the possibility of surprise attack had, under certain conditions, been tremendously increased. In cases where mechanized and motorized troops[2] supported by airplanes could act, a surprise blow could be struck in a way never before possible.

However, the conclusions drawn from the Italian campaign in Ethiopia were tentative. They could not be considered conclusive because the Ethiopians were deficient in artillery of all types, and had practically no tanks or aviation at all. But new opportunities for experimentation soon were provided in Spain. Until the battle of Teruel in the winter of 1937–38 the civil conflict in Spain did not assume the character of what could be defined as war (grand warfare); it consisted merely of isolated operations (minor warfare). Beginning with the battle of Teruel, however, and continuing through the final campaign in Catalonia, the number of troops, guns, tanks and planes engaged was sufficiently large to permit one to draw some definite conclusions.[3]

The operations in the final period of warfare in Spain fall into two categories — hard-fought, knockdown and drag-out battles; and pursuits. Teruel, Alfambra, Sarrión, Ebro and Segre belong in the first class. The separate operations leading up to the advance on and capture of Castellón-de-la-Plana consisted of a series of stubborn small battles fought along a wide front. The operations after Alfambra, terminated only when Franco reached the Segre and Ebro Rivers and the Mediterranean at Vinaroz, were a large-scale pursuit. The operations in Catalonia after the crossing of the Segre and Ebro Rivers and the capture of the main positions beyond were another large-scale pursuit. It ter-

[2] Mechanized troops are infantry, cavalry and artillery which use motorized *matériel* in battle. Motorized troops are infantry, artillery and cavalry which use motor transport to get them to the battlefield but which, once there, fight as in the days before the advent of the gas engine.

[3] In the Catalonian offensive Franco assaulted with 352,000 troops, 16,300 of them Italians. In the Seros sector alone 448 guns fired 120,000 rounds for the jump-off of 5 infantry divisions on a front of 10 kilometers. These 5 divisions totalled around 80,000 men.

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minated only when the remnants of the governmental armies were driven across the French frontier.

The results showed that weapons and tactics essential in one of the two categories of fighting were frequently of little use in the other. In a hard-fought battle the ability to give and take hard blows was proved to be absolutely necessary. Speed at the sacrifice of this ability introduced dangers which frequently led to defeat. Therefore artillery with first-class fire power, heavily armed infantry, armored tanks with cannon and huge quantities of ammunition were required or else defeat was certain. Similarly, the ability of such troops and their supplies to move fast was entirely subordinate to their ability to march and fight regardless of the difficulties of terrain. Therefore, while motor transport and mechanized heavy artillery and tanks were used wherever the ground permitted, the troops as a whole depended upon horses, mules and donkeys.

For pursuit, on the other hand, the primary requisite was speed, in combination with enough combat power to overcome whatever minor resistance rear guards and the braver elements of defeated troops might put up. The elements that produced the best results were light speedy tanks armed with machine guns, armored cars and motorcycle infantry where the terrain permitted their use; on other terrains, horse cavalry was needed. All this had to be backed up by infantry and by artillery carried in motor trucks where that was possible; in other cases infantry had to march. As the pursuit continued, the infantry would be more and more outdistanced until it was as much as several days in the rear.

The light tanks were shown to be useless in heavy battle because where they were not destroyed by artillery fire they were burnt or captured by the enemy infantry. Even the armored tanks that carried cannon failed when they attacked enemy infantry alone.[4] They proved useful only when they attacked with, and were backed up by, their own infantry, preceded first by a heavy artillery bombardment and then by a heavy aviation bombardment of the enemy position. Thus for hard-fought combat the French theory of tanks as infantry support weapons proved to be correct; while for pursuit General Fuller's theory of mechanized vehicles acting independently was shown to be correct.

[4] In the battle of Fuente de Ebro seven companies of Franco's infantry, unsupported by artillery, decisively defeated from 90 to 100 tanks attacking alone.

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In Spain aviation played a rôle which few had foreseen in advance. Such reliable evidence as exists shows that bombing of civilian populations did not produce results worth the risk to planes and pilots, particularly where modern anti-aircraft fire had to be faced. Bombing of important military objectives far in the rear, in accordance with Douhet's theory, while producing considerable damage, was never decisive. This was due to the fact that since airplanes are unable to capture (*i.e.* occupy) and hold territory, they could not prevent the enemy from renewing activity in the localities which had been bombed as soon as the bombing ceased. Also, due to lack of accuracy in bombing and an inability to keep up the bombing incessantly, the destruction accomplished was never total.

However, in battle and pursuit, the rôle played by the Spanish, Italian and German aviation was so important that we are safe in saying that in battle where two sides are equal in everything but aviation, the side which possesses it and uses it as it was used in Spain will win.

In heavy combat, as the preparatory artillery fire ceased, heavy bombing planes bombed and re-bombed the enemy positions from one end to the other. This was followed, during the advance of the attacking infantry and tanks, by continuous diving attacks and light bombing and machine gunning of the enemy positions by the assault aviation. For pursuit, airplanes bombed and machine gunned retreating enemy elements far to the rear. Their bombs and heavy machine guns also furnished the light mechanized and horse cavalry with the high-explosive and heavy machine gun fire which their artillery and heavy machine guns frequently could not provide because they were unable to keep up. In other words, this support from the aviation prevented the artillery and heavy machine guns of the enemy's rear guard from holding up the light mechanized forces and horse cavalry, which would have given the main enemy forces a chance to retreat in order or to organize a new defensive position.

Thus in the one real test, that of battle, the Spanish war proved: 1, that the children of the gas engine could not accomplish decisive results alone; 2, that in heavy combat, while their support is essential, they are subordinate to the infantry and artillery, as their speed cannot compensate for their inability (unlike the infantry and artillery) to take and give heavy blows; and 3, that for pursuit, or against an enemy lacking the artillery of vari-

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ous types and the tanks and aviation necessary for successful defense, light and mechanized forces supported by aviation can strike surprise blows which may prove decisive.

With the acceptance by the German and Italian High Commands and General Staffs of the accuracy of this third conclusion, and following the reorganization and rearmament of their armed forces accordingly, the long evolution of the theory of Blitzkrieg was over. It was ready for use as a well-rounded conception of military strategy.

It is important to note the difference between the third and the second conclusions just recorded. The third lies at the basis of the idea of Blitzkrieg; the second indicates conditions under which it could not work and therefore should not be tried.

Thus Blitzkrieg would not be tried against the Maginot Line. Nor, probably, would it be tried against an enemy with a strong air force and numerous large-caliber anti-aircraft and anti-tank guns — in other words, an enemy prepared not only to engage in hard combat against infantry and artillery but also against tanks, armored cars and aviation.

The seizure of Albania gave the Italians the opportunity to indulge in a dress rehearsal of Blitzkrieg. They knew just what force the Albanians could mobilize and how long mobilization would require. They knew that while the Albanians, once they were mobilized, could put a respectable force of infantry and field artillery into the field, they lacked aviation, armored tanks with cannon, and large-caliber anti-aircraft and anti-tank guns. In other words, the period needed by the Albanians for mobilization provided the time needed to execute a successful surprise attack. Lack of *matériel* for heavy combat meant that the Albanian power of resistance against aviation and light troop attacks was so slight that the Italians need not send across the Adriatic the troops and *matériel* necessary for heavy combat. Actually they sent only 23,000 light troops, backed up by armored motorized divisions and supported by aviation. The reports that these troops had to make numerous assaults before they succeeded in landing are not supported by reliable evidence.[5] Inside of a few days the light armored cars and motorcycle troops, backed by more heavily armored and armed mechanized troops, and supported by avia-

[5] In fact, such evidence as I could accumulate on the spot was to the contrary. I talked shortly after the invasion with all the eyewitnesses I could find. The marks of shell fire, etc., indicated no resistance of any consequence.

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tion, had occupied all of Albania. Twelve hundred Grenadier Guard Infantry, fully equipped and armed, were flown over the Adriatic and landed near the capital just as the advance elements of the light troops entered the city. If the light troops had met with any resistance from King Zog's troops, the Grenadiers were there to reinforce them. It was all over before the average Albanian knew what was happening.

The Albanian dress rehearsal showed that the technique of Blitzkrieg had been properly developed.

The suppression of the Polish Republic proved that a brave, well-armed, well-equipped and well-trained army, according to ordinary standards, is incapable of resisting a Blitzkrieg attack. True, the Poles made strategic errors in trying to defend all of Poland, instead of accepting the invasion of the western part of their territory as a necessary evil and concentrating their army where it could have made the most effective resistance. But even if they had adopted this correct strategical procedure they would have been beaten. The reason for this statement is that the Poles lacked the aviation, the well-armored tanks with cannon, and the large-caliber anti-tank and anti-aircraft guns which would be needed to stop and defeat a Blitzkrieg force. And I might say in passing that the Regular Army and National Guard of the United States would fare no better today, and for exactly the same reason.

The Blitzkrieg technique, as exemplified so successfully in Poland, follows certain well-defined successive steps:

1. An airplane attack is made on all enemy aviation and aërodromes.

2. An airplane attack is made on all railway junctions and stations, barracks, depots, bridges, and motor convoys on roads — that is, everything used by an army for mobilization and concentration. (If the aviation is large enough it carries out 1 and 2 simultaneously.)

3. While this is going on, the artillery of all calibers which already is in place near the border heavily shells all the enemy batteries, trenches and other works, while the regular infantry assaults and takes them. Heavy bombing and light diving bombing and machine gunning by airplanes assist this preparation. These operations by the troops armed and trained for hard combat open the way for the Blitzkrieg troops. Of course, if there are no minor fortifications or organized resistance of any kind at the frontier, this step is not necessary. In those circumstances the

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Blitzkrieg troops start their invasion directly after steps 1 and 2 have been executed.

4. The light divisions made up of motorcycle infantry and machine guns, armored cars, light tanks (carried in trucks), horse cavalry, and sometimes horse artillery (light) and artillery carried in trucks, lead the way.

5. After the light divisions come the armored divisions, each composed of about 400 tanks (generally medium-sized), motorized infantry, artillery, anti-tank and anti-aircraft artillery, and engineers. The light and armored divisions are closely supported by aviation, which is ready at all times with heavy bombing planes and diving light bombing and machine gun planes to help overcome any enemy resistance.

6. Next come infantry and artillery in motor trucks. Italy also has arrangements to pick up infantry units and fly them wherever needed. Reliable reports indicate that Germany has at least four regularly organized air regiments, each consisting of a fully equipped and armed regiment of infantry, with the transport planes necessary to fly them all at one and the same time. The purpose of these is to reinforce quickly the light and armored divisions should they meet with more resistance than they can overcome with their aviation support. The troops would not be landed by parachute in the rear of the enemy, a procedure few military men would care to sanction; troops so landed would probably be a present to the enemy. Instead, the airplanes land just out of enemy artillery range, in the rear of their own troops.

The Blitzkrieg troops do not attempt to engage in knockdown, drag-out combat with enemy troops prepared for this type of fighting. Instead, they go around the flanks, leaving the other job to the regular divisions which come plodding along in the rear.

No nation in Central Europe or the Balkans is armed and equipped, any more than was Poland, to withstand a Blitzkrieg attack. Nor is Turkey. The possibility therefore is that in the not distant future either Germany or Italy, or both, will use their special light and armored divisions and aviation to enforce their will in these regions should any of the countries involved dare to be intractable either economically or militarily.

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MEXICAN ANXIETIES

By William O. Scroggs

THE rumors of war which disturbed Europe in the summer of 1914 left Mexico unconcerned. She had too many troubles at home just then to be bothered by events overseas. Following the overthrow of the Diaz régime some years before, she had been shaken by revolution; and in April 1914, just a few months before the beginning of the World War, she had undergone the further experience of military intervention by the United States, culminating in the occupation of Vera Cruz by American forces. In mid-July, on the eve of the world conflict, her provisional President, General Victoriano Huerta, was forced from office by pressure from Washington, and the question of his successor precipitated further civil strife. In Mexican minds these matters naturally outweighed the assassination in far-off Sarajevo or the invasion of Belgium.

A quarter of a century rolled by, and when in the summer of 1939 war alarms again sounded across the Atlantic the Mexican nation was all ears. The passing years had brought great changes; the country was now tranquil, and it also had more at stake in Europe than in 1914. The Government of President Cárdenas had recently converted the petroleum industry into a state monopoly — and petroleum was not only the nation's third most important industry, it was a necessity for the belligerents. In spite of the hostility to Nazism and Fascism avowed by the Cárdenas régime, Germany and Italy were taking approximately two thirds of Mexico's petroleum exports — the Reich alone accounting for nearly one half of the total. It was evident that if a war should drive the tankers of either of these good customers off the seas Mexico would feel the pinch unless she could find other buyers; for petroleum exports are to that country what cotton exports are to our southern states.

It seemed probable, therefore, that the war would have a more immediate and direct effect on Mexico than on any other country of Latin America. To the United States this was a matter of much importance, for several reasons: Mexico is our nearest southern neighbor; she is the second largest, in population, of the Latin American republics; she has more questions at issue with the United States than any of these other republics, and the war may

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affect their settlement; and finally, all of Latin America regards the attitude of the United States Government toward Mexico as a test of the sincerity of its rôle of the Good Neighbor.

Oil is Problem Number One in the relations between Mexico and the United States; and it is also Problem Number One for Mexico in her necessary adjustment to the war situation in Europe. Before the nationalization of the foreign oil properties in March 1938, the bulk of the oil exported from Mexico had gone to Great Britain and the United States. After the expropriations only a small amount was shipped to the latter country, and most of this came in bond for refining and transshipment. The British completely suspended their purchases and persuaded some of their neighbors to do likewise. Britain had further denied the right of the Mexican Government to expropriate the British properties and had formally demanded their immediate restoration. After an exchange of sharp notes Mexico severed relations with London. The prospect that Great Britain or the United States would soon resume their places as buyers of Mexican petroleum seemed exceedingly remote. So long as the Cárdenas régime adhered to its program, nothing short of an acute national crisis was likely to induce the expropriated companies to abandon their boycott.

The outbreak of war, with the ensuing British blockade, abruptly ended the shipment of Mexican oil to Germany. During the first eight months of 1939 German purchases had been almost four times as great as in the corresponding period of 1937, when the Mexican oil business was mainly in the hands of British and American companies. These purchases by the Reich were the mainstay of the state monopoly, and their termination necessitated the finding of new export outlets if drastic curtailment of operations was to be avoided, with ensuing financial losses and unemployment.

Italy's decision to remain neutral was therefore good news to the Mexican authorities. If she too had been blockaded, the new Mexican program might have collapsed. The Mexican Government hoped that Italian purchases would increase under wartime demand and offset in some measure the loss of German orders. It also hoped that exports to other neutral nations would increase whenever these countries could serve as intermediaries for the belligerents. On the other hand, if Italy should finally enter the war on the side of Germany and succeed in preventing the movement of

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oil from Mosul and Persian Gulf fields to Great Britain through the Mediterranean, the British, or neutral agents acting in their behalf, might be obliged to turn to Mexico.

For these reasons the loss of Germany as an oil buyer was not regarded by Mexican officials as a permanent setback. They expressed confidence that other wartime developments would help to restore the country's prosperity after so many lean years. Even before the war began, business in Mexico was definitely changing for the better. During the latter half of August the price of silver had risen, and Mexican spirits with it. An alarming depreciation of the currency earlier in the month had brought the peso to a record low price, equivalent in United States currency to 16.38 cents. Before the oil expropriations the peso had been pegged at 27.8 cents (3.6 to the dollar). Immediately thereafter it had declined to approximately 20 cents and had fluctuated around this level until new weakness developed in June 1939. As its value receded during the summer, business activity slackened. Then came the upturn in the price of silver; by the end of September the peso had reached a new high for the year of 20.95 cents.

The fluctuations of the peso, following variations in the world price of silver, were due in some measure to political events in Washington. The low price reached early in August was a result of efforts by certain Senators and Representatives in the United States Congress to prohibit the further purchase of foreign silver by the Treasury. This move was linked with a drive for an increase in the price paid to domestic silver producers by the Federal Government. The political manœuvres in Washington and the peso's consequent sinking spell created considerable uneasiness in Mexico City, and there was great relief when the Roosevelt Administration finally persuaded Congress to drop its proposed ban on imported silver. With the removal of this threat the price of the metal rallied, and there was a still sharper rise a few weeks later when the advent of war stimulated silver hoarding in Europe because of fears that the paper currencies would depreciate.

Further hope of economic improvement was derived from the fact that, in addition to petroleum and silver, Mexico's other important industrial minerals — copper, lead and zinc — were also needed by the countries at war, and that increased sales of these commodities at higher prices seemed probable. Their production, except in the case of petroleum, was largely in the hands of foreign

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companies; nevertheless, an expansion in their output would mean increased employment and higher purchasing power for Mexicans. As these lines are written, however, this hope of a boom in the mineral industries still awaits realization. Some prices had risen during September, but these advances had been offset by increases of 100 percent or more in freight and insurance rates. In fact, during the first month of the war Mexico's exports were drastically curtailed. No lead was shipped to Europe, and only small quantities to the United States. The exports of gold, silver and copper were in about normal volume, but zinc exports were far below the average. The British Government, which was expected to be the principal buyer, had fixed maximum prices for lead and zinc at figures below those prevailing immediately before the war, and because of higher transportation and insurance charges they were not attractive to exporters. Copper was the only metal whose price was increased on the London market.

To overcome these obstacles, the Mexican Government undertook a revision of its export duties. On gold, lead, zinc and copper (and on silver also until August) there was an export tax of 12 percent, levied according to arbitrary valuations. In October the export duty on lead ore was repealed, and the official valuation of gold, lead and zinc was reduced. Since the London price of copper had been advanced 20 percent, the Mexican Government raised its valuation by 29 percent in the hope of cancelling some of the loss of revenue resulting from lower duties on the other metals.

Thus far Mexico's gains from war trade have not sufficed to compensate her for the loss of the German petroleum market. The British blockade is not only preventing oil from reaching Germany; it has hindered payment by that country for oil it has already obtained from Mexico. Though Germany bought most of this oil under a barter agreement, she had been importing it faster than she had been exporting manufactured goods in payment. From the time the barter arrangements went into effect until the imposition of the British blockade, oil exports to Germany amounted in value to approximately $8,000,000, while her payments to Mexico in goods and cash had amounted to only $3,000,000. The Mexican Government thus has debit items of $5,000,000 against the Reich, and its early hopes of obtaining payment, based on Germany's promises to use neutral vessels to ship goods on account, have been upset by subsequent British measures against German exports.

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In the meantime oil continues to go to Italy, the next largest importer, though the shipments have fallen below the recent peacetime volume. In the first month of the war Italy took only 266,000 barrels, compared with an average of 407,000 barrels during the preceding eight months. Since the expropriations the Italian and Mexican Governments had negotiated three separate barter deals. Two of these provided for the exchange of petroleum for rayon yarn, and the other for the exchange of petroleum for three tankers to be built in Italian shipyards. Soon after the war began Mexico discovered that Italy was also "slow pay," because of the lack of transportation facilities. Shipments of rayon yarn have been so limited that Mexican textile mills have been compelled to curtail their operations. Moreover, the Italian Government has indicated no intention to act as an intermediary for Germany in obtaining Mexican oil. In this and various other ways Italy has revealed a desire to remain on good terms with Great Britain and France, who, after all, would be much better customers than the German Reich.

Late in August *Petróleos Mexicanos*, the oil monopoly, proudly announced that all available oil not required for domestic consumption had been sold and that it did not have another barrel to offer a foreign buyer. The war changed this situation almost overnight. Much of the oil contracted for could not be shipped, and within a few weeks existing storage facilities for surplus oil became inadequate. Three German tankers took refuge in Mexican ports after war was declared, and there they remained. Six other German vessels, including two passenger ships, were also anchored in Mexican waters; one of these, the *Columbus*, is the third largest liner flying the Nazi flag. Several newspapers and a number of politicians have been urging the seizure of these vessels in the event that the Reich fails to pay for the oil already received; and the German Minister in Mexico City is reported to have proposed that the ships be held by the Government as security for ultimate payment — a procedure which would forestall seizure and probably reduce the expense of upkeep for the ships' owners. It has also been reported unofficially that the Mexican Government was attempting to negotiate for the purchase of two of the idle tankers, with the stipulation that the price be applied in part settlement of the oil account. Members of the Cárdenas Administration have often urged the development of a merchant marine as one of the instruments for freeing the country from dependence on

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foreign capital. The arrangement with Italy for building tankers in exchange for oil is one step toward the realization of such a program; but these vessels cannot be delivered until some time in 1940, and the need of an immediate oil outlet is urgent.

The sale of oil has become linked with the problem of Mexico's neutrality. The presence of so many German ships in her ports has given rise to rumors that they are secretly aiding U-boats operating in the Caribbean. Although the proximity of U-boats has never been confirmed, rumors have persisted. On September 29 the Mexican Congress enacted a Neutrality Law which prohibits the entry of belligerent submarines, armed ships, airplane carriers and airplanes into the country's ports; since then officials have kept a close watch for suspicious movements by the Nazi vessels. Something seemed to be brewing once when the *Columbus* left her anchorage at Vera Cruz and moved to an isolated bay nearby. Since the ship lay low in the water it was assumed that she had large stores on board; and since she seemed to be constantly taking on more provisions, it was suspected that some of her boats, always kept alongside, were sent to sea at night to replenish naval vessels with food and fuel. The fact that her crew of 600 men required a substantial quantity of food both for current consumption and for a reserve against the day when they might be suddenly ordered to sea seemed to be overlooked.

The tanker *Emmy Friedrich* at Tampico was also under suspicion after she had taken on a deck cargo of livestock as well as a cargo of oil. It was easy to imagine the livestock as furnishing fresh meat to the crews of U-boats. On October 20 this vessel put to sea, after clearing in regular order for Malmö, Sweden. There were doubts whether this was her real destination, since she was so old and slow that she seemed to have little chance of running the blockade. At any rate, the ship never proceeded far on her voyage, whatever its objective; for on the fourth day out of Tampico she suddenly encountered a British cruiser and was sunk by her own officers to avoid capture.

During the World War the German Navy took advantage of Mexico's preoccupation with her domestic troubles — and Carranza's pro-German sympathies — to establish a submarine base in her territorial waters. This fact has not been forgotten, and it may account for the many rumors of similar operations at present and for the keen vigil kept over the German merchant ships. But vigilance is also necessary within the country. There

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are numerous indications that German agents are active in the capital. Commercial radio stations are broadcasting much German propaganda, and these efforts are seconded by one section of the press. There is a widely prevalent belief that two daily newspapers in Mexico City enjoy a German subsidy. During the first weeks of the war the capital was mystified by reports that short-wave messages were being sent in code from widely separated sections of the city on successive days; the apparent ubiquity of the transmitting apparatus seemed to indicate that it was installed in a motor vehicle. The peripatetic station was alleged to be in communication with ships at sea and even with Berlin, but in spite of diligent search it has never been discovered. After the Soviet-Nazi entente became effective, even the Communists among the refugees from Loyalist Spain were suspected of establishing a liaison with Hitler's agents.

Vexatious incidents like these are the common experience of most neutrals. At various times in the past the Cárdenas Administration has indicated its aversion to the totalitarian régimes in Germany and Italy, and during the civil war in Spain it openly proclaimed its sympathies with the Loyalists. For this reason it is now believed to be favorably disposed toward the Allies in spite of the fact that for more than a year it has not been on diplomatic speaking terms with Great Britain and has in the interim developed close commercial relations with Germany and Italy. To maintain a strictly neutral and officially correct course under such conditions may at times have required a bit of dancing on eggs; but the Foreign Office has kept its record straight. On one occasion late in October the Government was at special pains to show both its own people and its neighbors that it was quite able to handle its neutrality problems without outside assistance. Shortly after the German freighter *Havelland* arrived in the Pacific port of Manzanillo, the United States gunboat *Erie* also steamed in and dropped anchor. The *Erie's* visit had been prearranged with the Mexican authorities and was in no way connected with the presence of the German ship. Nevertheless, the press reported that the gunboat was intruding in Mexican waters to watch the freighter's behavior. The story caused much excitement, especially among *politicos* always watching for an opportunity to uphold the nation's dignity and honor. A Mexican Senator called on the Foreign Office for an explanation and was assured that the visit of the American ship was in every way regu-

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lar and was made with the previous approval of the Government. Shortly afterward a Mexican gunboat and two coast guard vessels arrived at Manzanillo and conducted a well-advertised and punctilious inspection of the German ship and its cargo without finding any objectionable items aboard. National prestige was saved; Mexico had made it abundantly plain that she alone had the right to supervise ships in her own waters and was fully able to safeguard her neutrality whenever the occasion demanded.

Although the *Erie* incident was a minor affair, it effectively revealed the sensitiveness of the Mexican people to any suggestion of pressure or interference by their northern neighbor. It also indicated that a prolonged war might have important effects on the relations between Mexico and the United States. In plain truth, for several years past Mexico's welfare has been more in the keeping of Washington than most people on either side of the border have realized. It is hardly conceivable that Mexican political leaders have relished this dependence, and Washington likewise has given signs that it does not enjoy its responsibility; but the situation is one which cannot be easily altered. As has already been indicated, the present prosperity of Mexico is closely linked with the price of silver. This metal usually holds first place among the country's exports, and in 1938 it comprised 20.4 percent of their total value. And 98.5 percent of the silver exported in that year went to the United States, where it was not really wanted. These shipments had a value more than double that of all the petroleum products exported in 1938 — a year, however, in which oil production was subnormal because of interruptions incident to the expropriations.

The importance of Washington's silver purchases to the Mexican national economy is thus readily apparent. These purchases have increased the revenues of the Mexican Government; they have stimulated production and increased employment in the silver industry, and have made possible a stabilization of the currency. For many months the United States Government paid somewhat more than the world price for Mexican silver and thus subsidized a foreign industry, which was, however, largely under American ownership. Purchases at a price fixed above the world market were discontinued in April 1938, shortly after the oil expropriations; but the Treasury continued to buy the metal on a large scale in the open market and in this way absorbed virtually the entire amount shipped from Mexico, until attempts were

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made in Congress in the summer of 1939 to check these operations. Although these efforts were defeated, the Treasury in successive stages reduced its buying price from 43 cents an ounce to 35 cents. This sweeping reduction within a few weeks upset the peso and materially diminished the amount of dollar exchange obtainable from the export of silver. To stimulate sales of the metal the Mexican Government on August 16 removed the 12 percent export duty. The elimination of this tax was followed later, as already noted, by the removal or reduction of export levies on various other minerals. Washington had some interest in this procedure, for it was out of the revenue from the export taxes that payments finally began to be made in 1939 on certain long-standing claims of American citizens for small agricultural properties expropriated by the Mexican Government since 1927.

By closing the chief outlet for Mexico's petroleum and by necessitating a readjustment of her mineral taxes, the European war has thus had effects not wholly expected. It is still too early to judge whether that conflict will bring the United States and Mexico into closer relations or drive them farther apart. Certainly war conditions overseas have made the idea of Pan American solidarity more popular and of more immediate practical importance, and under such circumstances a prompt settlement of the issues long vexing the relations of two neighboring republics becomes all the more desirable.

These considerations are especially applicable to the oil controversy. The patience and persistence with which Secretary Hull labored for an adjustment of the smaller land claims was believed to indicate that he might be seeking in this way to establish a basis for negotiating with regard to oil. The land agreement was not in itself an outstanding achievement, but it did result in a modification by the Cárdenas Government of its dictum that the adjudication of claims based on expropriations was a matter for its sole determination — both as to time and manner.

There has been no similar modification of his Government's position *vis-à-vis* the oil companies. In fact, when the Mexican Foreign Office accepted the compromise on the land question it expressly stipulated that this action was not to be construed as a precedent. It insisted that foreign property owners and holders of concessions should have no rights which were not also enjoyed by its own nationals; in other words, that foreigners should not appeal to their governments against the Mexican authorities but

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should seek redress under Mexican law and abide by the decisions of Mexican courts. This position would have been unassailable if there had been reasonable assurance that in these courts there would be equal justice for both aliens and nationals. But there is no such assurance. The Mexican judiciary is not independent of the political authorities. Under Cárdenas the Supreme Court has been completely reconstituted. Its members no longer hold office for life, and its present personnel was appointed by him for terms coinciding with his own. In selecting the twenty-one justices he was careful to "pack" the court with those whose minds ran along with his.

In view of the Government's attitude, it is not surprising that the various negotiations in Mexico City and Washington during 1939, in which diplomats, other government officials and representatives of the oil companies participated, have produced no tangible results. None the less, the state oil monopoly keenly desires to recapture its share of the American oil market since the war has spoiled its previous arrangements. In October its selling agency, the *Distribuidora de Petróleos Mexicanos*, opened an office in New York, and some significance was attached to the fact that this step was taken almost simultaneously with the conclusion of a trade agreement between the United States and Venezuela reducing the duty on a fixed amount of imported petroleum by 50 percent. Under the terms of the Trade Agreements Act of 1934, this reduction was automatically extended to Mexico and other oil-exporting countries. The state monopoly already had a considerable quantity of oil stored in bond on the Texas seaboard and was ready to benefit from the lower duty if buyers could be found.

While seeking to regain their lost export trade, the Mexican authorities are unwilling to yield on any vital point in their dispute with the companies. Restoration of the properties would probably mean political suicide for any administration that took such a step; approval of the expropriations is not confined to the Cárdenistas. On the other hand, Cárdenas himself has always admitted the right of the dispossessed corporations to some measure of compensation. Soon after their expropriation the sum of more than $400,000 was raised by popular subscription, apparently with the President's approval, as part of a reimbursement fund. And on September 1, 1939, in his address at the opening of the Mexican Congress, Cárdenas stated that "the

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Government, in the performance of its firm intention, has from the beginning reserved 20 percent of the value of the [oil] products exported towards payment of the indemnification, together with the sums contributed by the people for this purpose."

There is a wide discrepancy, however, between the ideas of the Mexican President and those of the oil companies as to what constitutes indemnification. Señor Cárdenas has maintained throughout that the ownership of subsoil rights is vested in the state and that the companies in consequence are not to be compensated for the loss of oil but only for such parts of their justified investment in physical equipment as have not yet been recovered through amortization. The determination of the amount of this unrecovered investment, moreover, must be exclusively in the hands of his Government. This view conflicts sharply with that which the United States Government has maintained for more than two decades. The Mexican Constitution of 1917 does give the nation "direct dominion" over all mineral wealth, including petroleum, and a few admirers of President Cárdenas in the United States have repeatedly cited this clause as proof that neither their own Government nor the oil companies have a leg to stand on in contesting the action of Mexico. Such a defense is based on less than a half-truth, for it ignores four pertinent facts: first, that the Constitution also says that "no law shall be given retroactive effect to the prejudice of any person whomsoever;" second, that the Mexican Supreme Court in a series of rulings in 1921, 1922 and 1927 explicitly denied that Article 27 was intended to be of retroactive effect; third, that the Executive branch of the Mexican Government, through the Payne-Warren negotiations and the Calles-Morrow Agreement, reconfirmed the action of the Court in upholding the validity of titles to oil lands acquired before the adoption of the new Constitution; and finally, that Congress, the legislative branch, did the same thing by statute in 1927.

The United States Government has never challenged Mexico's right of expropriation, as Great Britain did to her subsequent confusion in 1938; but it has insisted that expropriation be followed by "prompt, adequate and effective" payment. There is room for endless argument over the meaning of adequate payment. Cárdenas insists that what he proposes to pay will be adequate; but even if he were to do the unthinkable and agree to pay for oil still in the ground, the difficult problem of gauging the

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value of this unseen wealth would still remain. To avoid such obstacles and to save face all around, there have been suggestions from the American side that, in lieu of restoring the oil lands to their former holders or attempting to assess their value, the companies be reinstated as producers, but not as owners, and be authorized to operate under long-term contracts calling for the unconditional return of the properties to the Government when the contracts expire. No progress has been made with this proposal because of the Mexican Government's insistence on full control of the management under any plan devised for company operation.

By giving a new significance to the Good Neighbor policy, the European war has made it more necessary than ever for Washington to proceed cautiously in dealing with Mexico. The United States Government faces the double necessity of avoiding even the appearance of coercing a neighbor and at the same time of preventing the creation of an impression in other Latin American countries that it will not resist encroachments on the rights and property of its nationals by foreign governments. Meanwhile, the handling of this problem has not been made any easier for the American Government by the attitude of some of its nationals of extreme Leftist or Rightist views who are often to be encountered in Mexico. The Rightists call loudly for strong-arm methods. "We ought to get tough," they say, "instead of lying down and letting ourselves be robbed." The Leftists are elated over Mexico's Noble Experiment; to them it means the doom of capitalistic imperialism and the dawn of the Marxian millennium in the New World. This group seems to have some influence on the attitude of Mexican officialdom toward Washington; the other group apparently has none at all. Leftists have an advantage in being able to get the ear of Cárdenas and his advisers; what they say is what these folk want to hear, and whether so intended or not, their views tend to create an impression that the American people as a whole do not approve Secretary Hull's Mexican policy.[1]

[1] A concrete example of this type of activity came to the writer's attention during a visit to Mexico some months ago. The front page of a Mexico City newspaper carried a story to the effect that a visiting justice of the Supreme Court of an American state had conferred with leaders of the Mexican Revolutionary Party and had expressed his complete agreement with the policies of Cárdenas, "en especial con la expropriación de los bienes de las compañias petroleras." The visitor was speaking not only for himself but for an organization to promote democracy in the Americas, characterized in the news account as "genuino representante de la sana opinión pública de los Estados Unidos."

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What effect the war may ultimately have on the relations between Mexico and the United States will depend to a considerable degree on the political realignments which it may bring about in either or both of these countries. Mexico, like the United States, has a Presidential election in 1940. In Mexico the campaign has been under way since early in 1939, although the election does not take place until next July. The platform of the National Revolutionary Party, which for ten years has been the dominant political organization in the country, offers little hope for a settlement of the oil controversy in accordance with the principles enunciated by Washington. Under the Constitution President Cárdenas cannot succeed himself, and for its candidate his party has nominated General Manuel Avila Camacho, formerly Minister of National Defense in the Cárdenas Cabinet. The coming election will not be a one-party affair, as others have been in recent years. The leading opponent of Avila Camacho is General Juan Andreu Almazán, who heads a coalition of conservatives. Politically, both candidates are to the right of Cárdenas. Almazán is generally regarded as much the abler of the two, but his opponent at this time seems to have the better chance of election and is expected, if chosen, to be guided by those now in power and to carry on the Cárdenas policies.

Normally, the campaign would be fought on the single issue of the continuation of these policies; but the war has injected a number of uncertainties into the political situation which may affect the nature of the contest. The Mexican Revolutionary Party has derived its strength heretofore from three sources — the army, the labor organizations and the farm workers (*campesinos*). The Confederation of Mexican Workers (C.T.M.), an organization often compared to the American C.I.O., is by far the most important element in this coalition. Its leader, Señor Vicente Lombardo Toledano, is regarded, after President Cárdenas himself, as the strongest man in Mexico. He once spent some time in Russia, and though not officially a Communist, he has been a "fellow traveller" and an avowed admirer of Stalin. He used his power to squelch the candidacy of General Francisco Mújica, who was regarded as a more ardent Cárdenista than Avila Camacho, because of Mújica's friendship for Trotsky, now a refugee in Mexico and Stalin's most unsparing critic. Heretofore Lombardo Toledano has been conspicuous for his denunciation of Nazism and Fascism, his characterization of Mexican conserva-

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tives as friends of Hitler and his portrayal of Soviet Russia as the champion of true progress and real democracy. But now that his good friend Stalin has left him out on a limb by teaming up with Hitler, he has become discreetly silent. After what has occurred in Eastern Europe, he may need all his conspicuous talents to prevent a rift in the ranks of his organization on the issue of Stalinism. Much may also depend on the final attitude of the army. Its leaders have no enthusiasm for the ultimate objectives of Señor Lombardo Toledano.

It is possible, therefore, that the European war, by its repercussion on domestic conditions in Mexico, may materially affect future relations of that country with the United States. A long war restricted to sporadic fighting by air and sea may cause economic stagnation in Mexico, or if it becomes more destructive, like the World War, it may have the opposite effect and create a huge demand for raw materials of military necessity. In either case it will be to Mexico's interest to cultivate closer ties with her northern neighbor. In depression she will need our friendly coöperation in various ways, and in prosperity she will need new capital and technical skill which the United States alone can supply. But there can be no inflow of American capital without an honest settlement of the outstanding questions at issue between the two countries. A long war will also give German propaganda a better opportunity to get in its work in Mexico, as in 1914–18. The World War had not been long in progress before the Carranza Government exhibited a pro-German bias. By 1917 the German Government was urging Mexico to join Japan in attacking the United States, with the promise that, as a reward for this cooperation, all the territory which Mexico had lost to the United States would be restored to her. That episode shows what may happen in the present conflict if strained relations between the two republics make Mexico a fertile soil for seed from the Reich or the Soviet Union.

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CIVILIAN CONTROL OF MILITARY POLICY

By Lindsay Rogers

"WAR," declared Clemenceau, "is much too important a business to be left to the soldiers." In principle few statesmen or generals would now dissent. In practice there have been and are great difficulties in determining how and to what extent civilian control should be exerted.

During the Great War, Sir William Robertson, Chief of the Imperial General Staff, thought that only 25 percent of the national effort was being exerted by the services. He then saw more clearly than many what the preparations for and course of the present war have made plain to everyone: that international conflict is now totalitarian. In addition to naval and military operations, strategy must now comprehend diplomatic manœuvres, propaganda, the protection of the home front, the maintenance of morale, the speeding up of industrial production, the strengthening of financial sinews, the control of prices, the rationing of food, and a myriad of other matters.

Sir William Robertson and the British Cabinet disagreed about the control of the 25 percent of the war effort which he said had been left in the hands of the military services. Similarly, Sir Frederick Maurice, who as Director of Military Operations clashed with Lloyd George and resigned his post, declares that since war now "means the direction for a special purpose of the whole power and resources of the nation," it is "clearly not a matter to be left to soldiers or sailors, nor would any responsible soldier or sailor desire it to be so left." He adds the lament that principal and agent have failed to think through and agree upon the manner in which the control should be exerted.

In France, before Clemenceau stated the principle succinctly and implemented it effectively, the army had for three years been insisting on the opposite doctrine. Joffre, who reached supreme command because as an engineer officer he had spent some time in the Colonies (largely building barracks) and had a number of service years which counted double, refused to admit that French governments could issue instructions to him and that he must keep them informed. He recognized only a vague responsibility to the President of the Republic. Poincaré was horrified and with

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not unusual sententiousness confided to his diary: "Neither the constitution nor the law has regulated the relations between the public powers in time of war. Thus experimentally, by successive adaptations which will require good-will from all, we will be led to adjust the functioning of the different organs." There was not good will from all. Successive adaptations were not successful. Interference by parliament through its commissions was wrong in principle but served in a number of respects to fill a distressing lacuna in civilian knowledge of and control over conditions in the field and industrial preparations as well. Experiments with generals as Ministers of War were failures. Finally Painlevé made Foch Chief of the General Staff alongside the government and made Pétain commander in the field; and although their respective powers were vaguely defined, mutual confidence was such that the system worked. Under Clemenceau it worked even better, partly because of the effectiveness of the military cabinet which as Minister of War (as well as Prime Minister) he established. Two years before the outbreak of the war the chief of this cabinet, General Mordacq, had, curiously enough, written that armed conflict could "be prepared and conducted with much greater ease in a monarchy than in a republic, merely because the principle of authority can be exercised in the former completely and with continuity." He had thought that in a democratic system it would be difficult "to realize effectively" unity of direction between civil power and military command, but he helped Clemenceau to do it.

Across the Rhine the balance was the other way. The Kaiser's Ministers had to take from him the orders which his generals persuaded him to give. Historians of the first World War have discussed the question of whether this kind of "unity of direction" did not cause Germany's defeat. "How can you have any organization when the army is managed by civilians?" the German Emperor demanded of the British military attaché in Berlin. "Look at the state they are in in France! Saturated with *délation!*" Ludendorff may have been brilliant militarily but he was blind politically. He insisted on directing and controlling 75 to 85 rather than 25 percent of the national effort, and he failed.

Behind civilian-military relationships and questions of control and direction there lies of course the larger problem of the position of an army in a state. "It is no easy matter," wrote the Eng-

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lish historian Trevelyan, "to reconcile the institution of a standing army with the genius of parliamentary and popular government, and the work was not done in a day." Trevelyan was talking of England in the age of Queen Anne, but the issue was not settled in Great Britain until the close of the nineteenth century and it raised its head again just before the outbreak of the Great War. Only by slow stages did the British constitution establish the principle that the army was not a royal preserve and that a Secretary of State for War should be responsible to Parliament for all of its activities. In the middle of the century, opposition to larger army appropriations resulted from fear that they would increase the influence of the Crown. Abolition of the purchase of commissions did not come until the 70's and then was put into effect in the face of royal opposition and despite warnings of disaster from an army whose officers, it was said, were too gentlemanly to learn anything about their duties. A Commander-in-Chief — the Duke of Cambridge — responsible to the Sovereign rather than to the nation through a Secretary of State stayed in office until 1895 and the post was not abolished until later.

Much more clearly defined was the struggle in Germany where, since there was no parliamentary government, the possible incompatibility of a standing army was not a problem. But Bismarck always argued vigorously that the military machine and military aspirations must be subordinated to state policy. He warned that the army would be a dangerous thing "under a monarch whose policy lacks sense of proportion and capacity of resisting one-sided and constitutionally unjustifiable influences." So long as William I was Emperor, Bismarck was sufficiently powerful to keep the military machine in its place.

In a brilliant series of essays which he published during the war under the title "Militarism and Statecraft," the late Professor Munroe Smith pointed out that after Bismarck's fall the decision on conflicts between diplomacy and military strategy not only rested with the Emperor but that he was responsible for presenting the civilian or diplomatic point of view to the services because his Chancellors were not men of intelligence and force. The Emperor valued pliancy more highly than capacity. Munroe Smith argued that had Bismarck been Chancellor in 1914 and insisted, as was his wont, on interposing a counterweight "to one-sided and unjustifiable influence," the war — if it had come — would have come about in a different way, with

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its origins more clearly visible and perhaps its effects more localized. But there was no Bismarck — only Bethmann-Hollweg.

II

In the democracies the problem now poses itself in a different setting. Strategy broadly conceived requires collaboration between the civil government and the services. For this collaboration machinery is necessary. In a sense the problem stems from a larger one: what should be the relations between political leaders and expert technicians? A Chancellor of the Exchequer is not an economist or a financier and so must have expert advice which he accepts or rejects in the light of his conception of what the political situation permits or forbids. A War Minister is not (and should not be) a soldier, but he must use the experts within the frame of the larger totalitarian strategy which armed conflict now requires. There are differences, of course. A tax expert can tell a Chancellor of the Exchequer within pretty precise limits what the yield of a proposed impost will be. Military scientists cannot be so certain. Problems constantly change because men's abilities are found wanting, because enemy plans are modified, or even because the weather takes a turn for the worse. The civil servant should (and for the most part does) remain anonymous; the general and the admiral cannot. At the request of a Minister, the civil servant prepares schemes in which he does not fully believe, and after the schemes are accepted, he may, without loss of intellectual integrity, share in carrying them out. The soldier and the sailor cannot be so cynical or so servile. Their labors will test their own expertness, while the civil servant is rarely faced by that grim touchstone: he estimates the yield of a tax and its collection is a problem of mechanical administration. Complaint is sometimes made that politicians refuse to realize that they are laymen in economic matters and too frequently insist on substituting their judgments for the judgments of experts. In civil-military relationships, the danger is perhaps the other way: that Ministers will think strategy and tactics are far more mysterious than they really are and thus hesitate to assert control. Their excuse is greater than in the first case, where the gamble is with economic well-being and not with human lives.

These are some of the considerations on the periphery of the problem with which Great Britain and France have been worry-

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ing and which they have by no means solved. The problem, to repeat, is to create machinery in order to make certain that there is (a) ministerial participation in formulating strategical plans and (b) ministerial control of the carrying-out of these plans if a state of war is entered upon. Many will maintain that the British and French machinery is well designed. Few will maintain that its operations have been as successful as they should be. The point is that the machinery has been set up and ministers and generals endeavor to make it work. In comparison, American thought on the problem — save by extra-governmental persons — has been almost nil. American machinery for coördination is rudimentary. What are the British and French devices that are worthy of attention?

First of all, the English system endeavors to ensure civilian control within the service departments. If a minister is to be responsible in the House of Commons, he must be something more than the uncomprehending mouthpiece of a chief-of-staff or a sea lord. Thus, since 1904, the British War Office has been under the direction of an Army Council. The Secretary of State for War is the chairman. Other civilian members are the Parliamentary Under-Secretary of State for War, the Financial Secretary of the War Office and the Permanent Under-Secretary of State for War — a civil servant — under whom a secretariat functions. The service members are the Chief of the Imperial General Staff, the Adjutant General, the Quarter-Master General, the Director General of Munitions Production, and the Director General of the Territorial Army. It will be noted that the Council includes no soldier specializing in anti-aircraft defense. Such an appointment was urged and Mr. Hore-Belisha, the Secretary of State for War, secured the appointment of a Deputy Chief of the Imperial General Staff (Anti-aircraft Defence), but the officer was not put on the Army Council. Moreover, the effectiveness of even this step was sabotaged by the designation to the new post of a general who lacked previous experience of anti-aircraft work.

In the American army there is a familiar quip that a Board is "long, narrow and wooden." That might be true of the Army Council if the British system did not require the Secretary of State for War to accept responsibility for all of its decisions. Since his is the responsibility, he can overrule the Army Council and substitute his judgment for its judgment. Military historians

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confine themselves largely to military operations and not to details of internal administrative difficulties. Hence little transpires concerning differences of opinion between the Secretary of State for War and the Council. No military critics in England, however, suggest that the management of the War Office would be better if the Council were abolished. Its civilian element ensures civilian knowledge of and participation in the formulation of army policy.

So with the Admiralty. The British Government, it has been said, "is haunted by the ghosts of extinct offices" and every minister presides not only over his department but also over "a legal museum." The British Admiralty illustrates this principle admirably. Control is still in the office of Lord High Admiral, but ever since 1708 his department has been in commission and is exercised by commissioners who together are known as the Board of Admiralty. The ministerial chairman is the First Lord; the other civilian members are the Parliamentary and Financial Secretary, the Civil Lord, and the Permanent Secretary — a civil servant. The service members number six — the Deputy Chief of Naval Staff and five Sea Lords: the Chief of Naval Staff, the Chief of Naval Personnel, the Controller, the Chief of Supplies and Transport, and the Chief of Naval Air Services. Following rather closely the plan of the Army Council, the Air Ministry has its governing body of civilians and service men. In addition to the Secretary of State for Air, there are a Parliamentary Under-Secretary of State, three civil servants — a Permanent Under-Secretary, a First Deputy Under-Secretary and a Director-General of Production — and five officers of the Air Force: the Chief of the Air Staff and Air members for personnel, development and production, supply, and organization.

Above these departmental councils, as a general instrument of coördination, Great Britain has had, since 1904, a Committee of Imperial Defence which was set up on the theory that the Prime Minister should be its "invariable President" and that he should have complete discretion in selecting its members. The Committee of Imperial Defence is a large and unwieldy body composed of the principal Ministers — eight or ten of them — the Permanent Secretary of the Foreign Office, the head of His Majesty's Civil Service and the three chiefs-of-staff. From time to time it has included extra-governmental members. Lord Haldane was particularly interested in its functioning and, though not a mem-

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ber of the Government, was on occasion coöpted for service on the Committee. As Secretary of State for War he had forced extensive reforms on the army and had been particularly interested in the Committee. After the war he was still of the opinion that there are "few questions, military or constitutional, in which such obscurity prevails as in those concerned with the higher direction of war."

In characteristically British fashion the Committee of Imperial Defence was given no executive authority. Its functions were to study, to discuss and to formulate. The final decision always rested with the Cabinet. An able secretariat prepared the subjects that went on the agenda and watched the work of subcommittees which at times were extremely numerous. In the first volume of his "War Memoirs," Mr. Lloyd George paid a glowing tribute to the Committee for its success in making Britain ready for war. As Prime Minister, Mr. Asquith did not disturb its constitutional position, but gradually — because the Committee was so unwieldy — permitted its functions to be taken over by a War Council of the Cabinet. As the Dardanelles expedition and other incidents disclosed, this Cabinet committee did not work too well. There was dubiety concerning the status of the chiefs-of-staff. Did they attend as experts who could not differ with their political chiefs or were they there for conference and advice? When Lloyd George formed his Government, he created his War Cabinet composed of Ministers without Portfolio. He made it clear that "the Cabinet would have the same access to the experts as their departmental chiefs; that questions could be addressed to them directly; and that they were to speak their minds freely without awaiting the permission or the opinion of their chiefs." He had "a painful recollection of the Dardanelles muddle when distinguished experts sat silent and sullen at the War Committee whilst their chief was advancing propositions with which they profoundly disagreed."

Down to the Armistice, Mr. Lloyd George's War Cabinet kept its hand on strategy more tightly than did the politicians of any other warring country. When peace came, the institution of the War Cabinet was abandoned and the normal Cabinet system was resumed, with the Committee of Imperial Defence again playing an active rôle. Later, after discussion, it was decided not to create a single Ministry of National Defence coördinating the three services. But in 1936, when Britain began extensively to

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rearm, the Prime Minister, Mr. Baldwin, appointed a Minister for the Coördination of Defence — Sir Thomas Inskip — who was to preside over the Committee in the absence of the Prime Minister (which was frequent) and who, without legal authority — again in characteristically British fashion — was to have "general day-to-day supervision and control on the Prime Minister's behalf of the whole organization and activity of the Committee of Imperial Defence;" to make monthly progress reports to the Cabinet and to discern "any points which either have not been taken up or are being pursued too slowly, and (in consultation with the Prime Minister or other Ministers or Committees as required)" to recommend "appropriate measures for their rectification."

As subsequent events showed, the Baldwin Government was not greatly concerned about speeding rearmament. It did not intend that Sir Thomas Inskip should be too vigorous. He was to preside and to appease those who demanded action. Hence he concerned himself with supply rather than with strategy and a more intelligent parcelling out of the expenditures the government was making. Thus the War Office could continue to spend only one quarter of one percent of its total appropriations on anti-aircraft defense. The strategists had ignored the principle that they had always declared to be fundamental: operations can be conducted only from a secure base. They had permitted the British Isles to become insecure — a target without sufficient means of protection. One reason was that older departments in the services with strongly entrenched bureaucracies insisted that extra moneys be allocated to them for increased expenses. There was no one to make an effective demand that newer weapons be recognized. As Captain Liddell Hart has remarked, "the custom of the services differs from the domestic formula in that the latest born is commonly the first to suffer." So the Air Force was kept on short rations, and the anti-aircraft defense on starvation rations. To say this is not to say that civilian participation and scrutiny were wrong in principle, but only that they were ineffective — partly because of lethargy at the top and partly because of the fact that traditions, precedents and vested interests are formidable obstacles to the reconsideration and revision of old policies. After Munich, when Mr. Chamberlain pleaded that he had no other alternative because Britain was completely defenseless against air attack, Sir Thomas Inskip went, and his place as

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Minister for Coördination of Defence was taken by Lord Chatfield. Then preparations became less laggard and vested interests less sacrosanct.

Like Great Britain, France has three service departments — War, Navy and Air — but it has attempted coördination in a different fashion. When Léon Blum formed his Government in 1936, he made his Minister of War also Minister of National Defence as well, and charged him with the task of coördinating the three services and preventing them from competing with each other. The results were not spectacular. M. Blum had to yield to bureaucratic demands that autonomy be not interfered with. M. Daladier, his Minister of National Defence and of War, could only preside and request. In France influence is more unlikely to be an adequate substitute for legal authority than is often the case across the Channel. Hence in later cabinets M. Daladier had a stronger legal position. As Minister of National Defence, his countersignature was necessary for many important decisions in respect of the army, the navy and the air force.

The law on the general organization of the nation for war which the French Parliament passed in July 1938 solidifies this position. It provides also for a Permanent Committee of National Defence — much along the lines of the Committee of Imperial Defence — that is, under the chairmanship of the Minister of National Defence and with the chiefs-of-staff as members. The law provided that when war came, this Permanent Committee of National Defence should become a War Committee presided over by the President of the Republic and that this committee should assure the unity "of the military direction of the war within the frame of the government's decisions." This War Committee has its secretariat from the Superior Council of National Defence. At the same time there is a Chief-of-Staff for National Defence, General Gamelin, and, as a sop to the Navy, an Admiral was put in charge of the reorganized College of National Defence for the instruction of officers in higher strategy.

III

In comparison, American devices for effective relationships between statesmen and soldiers seem extremely rudimentary, and this despite the fact that the Constitution established civilian control. The President is Commander-in-Chief of the Army and Navy. To be sure, through the Army Appropriation Act of 1867

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Congress attempted to make it impossible for the President to use his constitutional powers, but the issue here was a controversy between the legislature and the executive. To be sure also, testifying in opposition to the general staff legislation which Secretary of War Root was urging (1902), General Miles argued that the commanding general's authority should not be taken away and his freedom limited by "the direction or sanction of the all-powerful general staff which, under the Bill, is only subject to the control of the Secretary of War whose knowledge of affairs military may be meagre or nil."

In practice, however, the balance is the opposite of that which General Miles feared. It is notorious that with rare exceptions American Secretaries of War and of the Navy have not seemed to dominate their Departments as have some of their fellow Cabinet members. Even when they are extraordinarily able, which happens too infrequently, they are handicapped by the absence of any machinery like the Army Council or the Admiralty Board. Their testimony when they retire is that they were only machines to parade and to sign. "I had my head full of the great things I was going to accomplish," said Victor H. Metcalf, Secretary of the Navy under Theodore Roosevelt. "I know better now. My duties consist of waiting for the Chief of the Bureau of Navigation to come in with a paper, put it down before me with his finger on a dotted line and say to me, 'Sign your name here.' It is all any Secretary of the Navy does."

As establishments become larger, as mechanization proceeds, as more money is spent for more numerous purposes, the helplessness of civilian secretaries will be even more pronounced. They demonstrate it when Congressional committees consider programs of expansion. The Secretaries cannot explain these programs to Congressional committees but have to permit the Chief-of-Staff and the Chief of Naval Operations to be the spokesmen of the Departments. In Great Britain or France, because of the machinery of consultation and coördination which has been set up, civilian ministers can master the business of their departments in sufficient detail to explain it to their parliaments.

So far as strategical coördination is concerned, there is an agency — the Joint Board — which is composed of the Chief-of-Staff of the Army, the Deputy Chief-of-Staff, and the Assistant Chief-of-Staff (War Plans Division), the Chief of Naval

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Operations, the Assistant Chief and the Director of the War Plans Division of the Office of Naval Operations. Allegations are sometimes made that for some of its business the Joint Board confines itself to agreeing to disagree. Such allegations are probably exaggerated, but in the case of the manœuvres in the Caribbean last winter the services were unable to agree on the way they would play the games jointly and hence the Navy played by itself. The services could not do that if the country were at war.

In all probability the weaknesses of the Joint Board are exaggerated. It should be noted, however, that there is equal representation from the Army and Navy and there is no special representation for a service which in Great Britain and France is autonomous — namely, the Air Force. This is not to suggest that there should be a separate ministry of air in Washington. That question has been inquired into and adversely decided by several competent civilian boards. It should be noted also that the Joint Board's secretariat is a device to record rather than an organ of study as is the case with the secretariat of the Committee of Imperial Defence and its numerous subcommittees. And there is on the Board no outside civilian mediating influence — no officials from the Department of State or other branches of the government which must concern themselves with the 75 percent of the national effort which in war time is exerted by forces other than those in military and naval uniform. War colleges, seconding of officers for study at universities and for special details, great activity and much coördination in the formulation of joint plans for procurement — the progress in these directions is doubtless admirable. But the plain fact is that in the United States the important business of war is being left almost completely to the soldiers, save when the President as Commander-in-Chief can squeeze it in among the demands on his time and energy by his heavy administrative duties and the terrific burden of ceremonial functions. British Prime Ministers found that they had to delegate the task of coördination, and the burden on them is far less than it is on the President of the United States.

Within the services there is a good deal of questioning of present arrangements but it cannot be articulate. It is confined largely to younger men who, when they grow older and attain the higher posts, are content to do the best they can in an administrative world which they had thought should be better but has not become so. Then, curiously enough — or naturally enough — when

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they retire, the generals and admirals call for reform. Little attention is paid to them. The services ignore the wisdom of the leading members of their professions when those members cease to be on active duty. That is not the case in medicine, or in law, or in journalism. Soldiers and sailors criticize most when they have abandoned their ambitions to get on; and then scant heed is paid to their admonitions.

In August 1917, Woodrow Wilson went to sea in the *Mayflower*, boarded an American battleship and, according to the editors of his papers, talked to the officers like "a football coach to his team between the halves."

"I have had most of my thinking," Wilson declared, "stimulated by questions being put to me which I could not answer, and I have had a great many of my preconceived conceptions absolutely destroyed by men who had not given half the study to the subject that I myself had given. The fact of the matter is that almost every profession is pushed forward by the men who do not belong to it and know nothing about it, because they ask the ignorant questions which it would not occur to the professional man to ask at all; he supposes that they have been answered, whereas it may be that most of them had not been answered at all. The naïveté of the point of view, the whole approach of the mind that has had nothing to do with the question, creates an entirely different atmosphere."

This philosophy — and who will challenge it? — would justify civilian participation in the consideration of service problems even if the service effort constituted a larger percentage of war effort. In the same speech, President Wilson went on to say that "this is an unprecedented war and, therefore, it is a war in one sense for amateurs." He thought that "because of the novelty of the instruments used" and because "nobody ever before fought a war like this," experience in previous wars would count for little.

The observation is even truer of the present war. The British Field Service Regulations anticipated it. They recognized that high command in war demands "the broadest possible outlook and knowledge of social as well as of military questions." They declared that "a major war affects the whole of the national life and every class of citizen and there is a corresponding civil influence on the conduct of military operations." In the United States there do not seem to be sufficient opportunities for civil influence to affect military policy and preparations for defense.

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CANADA AT WAR

By Edgar Packard Dean

ONE North American nation is already at war. On Saturday, September 9, the Canadian Parliament voted to declare war against Germany. On the following day, precisely one week after Britain's entry into the conflict, King George VI, on the advice of his Canadian ministers, announced that Canada was formally at war. This royal proclamation of September 10, 1939, is a milestone in the history of Canada and of the Empire: it is the first time that the King in a declaration of war has spoken on the advice of his Canadian ministers. This is a fact of great constitutional significance. Responsibility for the form of the declaration was Canada's and hers alone, for London learned of it only after receiving the cabled draft. Thus, in 1939 Canada attained the same autonomy in matters of foreign policy which she has enjoyed in domestic affairs since 1867.

Special war legislation and cabinet decrees promptly followed with a rapidity and a coherence which clearly indicate that the Government had wisely utilized the months of peace. Two of these acts are particularly noteworthy. The war appropriations act earmarks 100 million dollars for immediate use. Its significance lies, not in the amount, which everyone realizes is only a fraction of what the war will cost, but in the fact that it shows how Canada intends to pay for the war. From 1914 through 1919 Canada's war bill was 1.3 billion dollars, of which only 101 millions were raised by taxation. This time, long-term borrowing is ruled out, at least in the early phases, and the initial sum of 100 millions is to be raised by increased taxes on consumers' goods, a surtax of 20 percent on individual incomes, and a profits tax rising to 60 percent. The bill was voted by Parliament and accepted by the people without opposition. But the publication a few days afterwards of a government decree establishing foreign exchange control met with quite a different reception. Surprised, perplexed and angry, businessmen swarmed to Ottawa for an explanation. Apparently, however, the Government has no intention of using this control to regiment business and will permit exchange to flow in the customary way. The real purpose of the act is to protect the Canadian economy from sudden and large withdrawals of British or American capital.

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No war effort can be any greater than the ability of the men who direct it. In supreme command in Canada is William Lyon Mackenzie King. Last August he celebrated the twentieth anniversary of his leadership of the Liberal Party. During those twenty years he has been Prime Minister for thirteen, though not continuously. Today he is 65. None of his contemporaries can match him in experience and no man in the Dominion knows Canada so well. He is, in the fullest meaning of the term, Canada's first citizen. His weaknesses are two: he is prone not to take the initiative, and he is extremely loyal to his colleagues, even to the point of retaining them when a continued attack on one becomes an attack on the Cabinet. His record over the first three months of war suggests that these shortcomings are remediable.

As a whole, the Cabinet is reliable if not brilliant. The key positions are fortunately occupied by men of real ability. The member who in prestige ranks after Mackenzie King, and in constructive leadership comes first, is Ernest Lapointe, Minister of Justice. Mr. Lapointe is, after the illustrious Sir Wilfrid Laurier, the ablest French Canadian statesman Quebec has produced. Were he ten years younger, he would be an obvious successor to Mr. King. The Minister of Finance is Colonel J. L. Ralston, who was the leading financial critic of Mr. Bennett's Conservative Government (1930–1935) and is highly respected by St. James Street. The new Minister of National Defence is Norman Rogers, formerly Minister of Labor. A Rhodes scholar who entered politics, Rogers is levelheaded and trustworthy. Though he lacks the drive one might wish for in a man holding so vital a post, he is far superior to Sam Hughes, the war minister of 25 years ago. The Cabinet has remained entirely Liberal in composition. This is due to the fact that Mr. King is a firm believer in an Opposition. The record of the Opposition leaders suggests they will be more effective in their present rôle than as members of the Government. With Mr. Bennett living in England, the only Conservative ex-prime minister in Canada is Arthur Meighen. Though as Opposition Leader in the Senate he is outstanding, less can be said for his record as minister. The party leader of the Conservatives is Dr. Robert J. Manion, a physician from Fort William, who has been in command for only a year and has had little cabinet experience. As for the Co-operative Commonwealth Federation (Canada's socialist party) and the Social Credit group, they are more interested in furthering their own social programs

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than in coping with the day-to-day problems of administration.

Wartime appointments to newly created boards or to old established positions have been strictly non-partisan. Two are particularly noteworthy: the appointment of Loring Christie as Canadian Minister to Washington and of Major-General A. G. L. McNaughton as commander of the first Canadian overseas division. Christie is a career man who brings to his new post an intimate knowledge of Canadian-American relations. General McNaughton served in the World War and developed a formula for locating enemy guns which was so far superior to existing methods that it was adopted by all the Allied armies. Because he is still one of the outstanding artillery men in the world, the British may wish to use him as a general staff officer rather than as commander of the Canadian Expeditionary Forces. On the Ottawa front, Wallace Campbell, president of the Ford Motor Company of Canada, heads the newly created War Supply Board. Censorship, which most democracies handle lamentably, is the responsibility of Walter Thompson, for twenty years director of publicity for the Canadian National Railways. Unlike some of his European counterparts, Thompson began life as a newspaperman and knows newspapermen and their problems. Most of these four appointees are men with Conservative rather than Liberal affiliations. By mid-November disgruntled Liberals were accusing Mr. King of leaning over backwards, charging that men of equal merit within the party were being neglected merely because they were Liberals.

Hardly had Canada's war effort got under way than it was challenged by a threat to the nation's unity. On September 24, Mr. Duplessis, Prime Minister of Quebec, dissolved the provincial parliament and called for new elections. He flatly denied Ottawa's right to add to its powers and asserted that the War Measures Act was nothing but a disguised attempt to rob Quebec of its time-honored liberties. His action had nation-wide repercussions. If Quebec reëlected him, Canada would be a nation divided against itself and the resulting bitterness between English and French-speaking Canadians would vitiate national efforts for a generation. But Quebec not only failed to reëlect him, it handed him a severe defeat and returned the Liberals to power by a thumping majority. French Canada will support Canada's contribution to the war as it has been defined by the Government — voluntary and economic participation.

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The form of Canada's war declaration shows that she has gained control over her foreign policy; the Quebec election shows that she has regained control over herself. Both events were preceded by great travail and no one a year ago would have dared prophesy that a period of *Sturm und Drang* would end so felicitously. For it has been a seminal year in Canadian history.

II

The Czech crisis of September 1938 set the Dominion down on its heels with a jolt. Like other peoples, Canadians were divided on the merits of the Munich peace, and they experienced the disillusionment which followed. But this was incidental to the fact that the crisis had thrown Canadian foreign policy into a state of flux. The progressive collapse of the League had undermined the basis of Canada's right to decide for herself the question of peace and war. There is ample evidence that, had Britain gone to war in September 1938, the Canadian Parliament would automatically have voted to support her.

Hence, it is only natural that Canadians began to reëxamine their imperial and international relations. In particular, they asked themselves: if Britain is at war, is Canada at war also? The widespread discussion engendered by this question revealed considerable confusion in the public mind. There was much talk of Canada's right to neutrality, of Canada's duty to support the democratic Powers, of Canada's future as a North American rather than a British nation. Logically, there were only two real issues at stake: did Canada have the right to an independent foreign policy? If so, what should that policy be — support of the democratic Powers or isolation? But as so frequently happens in politics, reasoning went from conclusion to premise. The Imperialists, who strongly support Britain, argued that Canada possessed neither the right nor the desire to have her own foreign policy; while those whose North Americanism was stronger than their Imperialism defended her right to such a policy. Only a few seemed to realize that Canada, while pursuing an independent course, might choose to support Britain.

Political leaders at first held aloof. But by the early part of 1939 increasing public discussion and two widely separated events forced the Government's hand: in February, J. T. Thorson (sitting for Selkirk, Manitoba) introduced into the House of Commons a bill providing that Canada should not go to war except

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by a declaration by His Majesty on the advice of his Canadian ministers; and in March, after the invasion of Bohemia and Moravia, Mr. Chamberlain called for a union of the democracies to check German aggression. On March 30, the Canadian Parliament began a full-dress debate on foreign policy. It lasted four days, and was the longest parliamentary debate on foreign affairs in Canadian history. Mr. King pointed out how much more difficult it is for a statesman to formulate national policies than for a private citizen. To be successful a Canadian foreign policy must, he said, enlist the support of such diverse elements as the Imperialists, who will aid Britain in any war; the French Canadians, who are completely isolationist; and the Canadian nationalists in between, who wish to make the Dominion a responsible member of the comity of nations. He seriously doubted the possibility that Canada could remain neutral if Britain went to war, thereby shattering a popular belief of the Canadian nationalists. Yet he stoutly defended Canadian nationalism and categorically denied that the Dominion must always support Britain irrespective of circumstances. Dr. Manion, the Conservative leader, was so thoroughly in agreement with many of Mr. King's points that one observer later described him as a partner in a parliamentary duet. But other Conservatives unqualifiedly pledged Canada's support to Britain. Mr. Lapointe, leader of the French Canadian group in the Cabinet, made a courageous speech in which, at the risk of displeasing his compatriots, he said that French Canada must face realities and remember the kind of world in which it was living.

Three conclusions, mostly negative, emerge from the debate. First, the Government was on the horns of a dilemma. On the one hand, its policy must be a Canadian policy in the sense of being arrived at independently of Britain's; while on the other, the content of the policy must satisfy, or at least not antagonize, such diverse elements as the Ontario Imperialists and the Quebec Nationalists. Obviously the Government had not yet found the formula for combining all these groups. Second, if war came there would be no conscription. Last, it was clear that as and when the momentous decision was taken, Parliament would decide.

Parliament had to make the decision on September 7, 1939. This time the Government had a formula, and Mr. Thorson's bill, though it had died a natural death in Parliament, had achieved the greater life after death. To textbook writers of the future the

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Government's action will seem simple and direct. Actually, the Cabinet wavered between several policies, and for a few days was undecided whether or not to declare war formally. Some thought that if Canada refrained, she might escape the rigors of the American Neutrality Act and thereby be of still greater aid to Britain. The speech from the throne which Parliament heard on Thursday, September 7, was one of the shortest on record — only ten sentences — and was by no means a declaration of war in itself. For the next 48 hours Parliament was without instructions; the members were not sure whether approval of the speech would constitute a vote of war or whether a separate declaration would be introduced. By late Friday it was known that Arthur Meighen was planning to storm the citadel unless a formal declaration was issued. Not until Saturday afternoon did Mr. King inform the House that approval of the speech from the throne would be equivalent to a formal declaration of war. What brought the Government around to this view? A *de facto* status of war would have been an indecisive note on which to rally the country. Nor was there any assurance that it would have exempted Canada from the application of the American Neutrality Act. Last, it was well known that the Conservatives, and particularly Meighen, would openly attack the Government if a formal declaration were not forthcoming. Imperialist circles in Toronto were seething during the night of September 8–9 and there was wild talk of a march on Ottawa.

And so the die was finally cast. The beauty of the solution was that everyone got something: the Imperialists were satisfied because Canada was at Britain's side, the French Canadians had their promise of no conscription, the Dominion now controlled its own foreign policy, and Canada went to war a unified nation.

But was it really unified? The challenge from Mr. Duplessis and the possibility that the Province of Quebec might support him caused some bad moments. Not only did it raise the old problem of Quebec's status, but it revived memories of regionalism in other parts of Canada. During the 1930's Canada suffered an acute attack of what in this country we call States' Rights. The British North American Act of 1867 gives specific and enumerated rights to the provinces and lodges all residue powers with the Federal Government. In this respect it is the reverse of the American Constitution. But such is the perversity of man that while in recent years the United States has evolved towards

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greater centralization, Canada has evolved towards greater provincial independence. Quebec customarily receives more than its share of the blame for this situation. The record from 1935 to 1939 shows that Imperialist Ontario and Social Credit Alberta were not far behind in demanding provincial autonomy; even British Columbia, in population the most Anglo-Saxon of all the provinces, was beginning to climb on the bandwagon.

The causes for this growing separatism are both general and particular. Perhaps every federal system spanning three thousand miles of continent must pass through this phase. But there are other reasons. There was the depression. There was also the fact that the King Government allowed the reins of federal control to slacken, a circumstance quickly utilized by some of the more spirited provincial leaders. In Quebec there was Mr. Duplessis, victor over the Liberal machine which had held power in the province uninterruptedly for 39 years. That Duplessis should challenge the power of the Liberal Government at Ottawa was not surprising. What was surprising was that he had a warm ally in Mitchell Hepburn, the first Liberal Prime Minister of Ontario in a generation. Imperialist Ontario and isolationist Quebec might seem to have little in common, but domestic issues frequently unite them. They are the oldest, most populous and wealthiest of the provinces; and since three-quarters of all Canada's manufacturing is carried on within their borders, they dominate Canadian industry. Their citizens, being the Dominion's principal source of taxes, naturally complained that instead of supporting the impecunious West, federal tax-receipts should be spent in Quebec and Ontario. And out in Alberta, there was the Social Credit government of William Aberhart. Mr. Aberhart, having great economic reforms to institute, naturally pushed Albertan provincial independence to the utmost.

The results of the Quebec election of October 25 show that the regionalist tide is receding, at least for the moment. Not that this was apparent during the campaign, or even on the eve of the election. Ernest Lapointe and the other French Canadian members in the King Cabinet stumped the province against Duplessis, demanding his defeat as a vote of confidence in themselves and in their reiterated promise of no conscription. They declared that if he were reëlected, they would resign. As for Mr. Duplessis, he campaigned on two slogans: a vote against him was a vote for conscription; and Ottawa's emergency powers were nothing but

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a pretext to rob Quebec of its liberties. There were several reasons for supposing he would win. His National Union Party (of which the core consists of Quebec Conservatives) held 76 of the 90 seats in the recently dissolved legislature — he could lose a fair number and still have a majority. Further, his major opponent was the provincial Liberal machine, which had been defeated in 1936 after having been in power for 39 consecutive years. If its record was venerable it was also odoriferous. Many of the old Liberal war horses, repudiated by the electorate three years before, were again candidates. On the other hand, Duplessis carried several political liabilities. Taxes had increased and the provincial debt had more than doubled during his three-year régime of lavish spending. Duplessis himself was growing increasingly autocratic and less disposed to seek advice — he had dissolved the provincial parliament without consulting his cabinet. Still, on the eve of the election political observers were of the opinion he would be returned, though by a narrow margin.

Actually, the election was a landslide for the Liberals, who won 67 out of the 85 seats contested. The National Unionists lost 60 seats; six members of the cabinet were defeated, though Duplessis carried his own constituency of Trois Rivières. Quebec had spoken and in unmistakable terms. A Duplessis victory would undoubtedly have been disastrous for the nation. The loss of Mr. Lapointe from the Cabinet would in itself have been serious, and might have precipitated a general election. But the greatest tragedy would have been the rancor engendered between English and French-speaking Canadians; not only would this have interfered with the conduct of the war, it would have poisoned Dominion politics for many long years. This knowledge may have influenced the enlightened French Canadian; among the rank and file, however, other factors were decisive. First is the effect of the royal visit of May 1939. Veteran observers of the Canadian scene have with singular unanimity agreed that the greatest result of the royal visit was its effect on Quebec. For the first time in their history, French Canadians now feel that they have a King and Queen. They have been subjects of the British Crown since 1763; but to them the relationship has always been purely legal. The royal visit made it personal. A second factor is the effect of the German-Soviet agreement of last August. By temperament and tradition, French Canadian society is authoritarian, and in recent years certain elements have been sympa-

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thetic towards Germany and Italy. But Germany's pact with Bolshevist Russia — a country anathema to French Canadians — caused a change which was accentuated by the destruction of Catholic Poland. As for the Church, its influence on the election is more difficult to determine. The high prelates seemingly remained neutral. Among the parish priests some, particularly in the back country, were for Mr. Duplessis; but the great majority worked quietly for the Liberals. Last, there was the real, if unmeasurable, influence of the radio. With Quebec stations sending out news broadcasts in French, the parish priest is no longer dependent on the hierarchy for his news. As for the *habitant*, the radio has made him realize for the first time that there is a world outside Quebec. Whatever he may think of that world, it forces itself on him as never before.

Canadians not given to overstatement still refer to the Quebec election as the greatest political event since Confederation. Mr. King declared it was a victory for the whole of Canada. Dr. Manion, who saw his major strategy for the next election upset by the defeat of the National Unionists (Quebec Conservatives), merely remarked: "Now let us get on with the war."

III

On the strictly military side, Canada's war activities can be described briefly. At the outbreak of hostilities, the active army had less than 4,300 men; for years it has hardly been more than an instruction corps for the reserves, numbering 86,000. *Matériel* was and remains negligible. The Royal Canadian Navy had an authorized strength of 150 officers and 1,822 men, but this was a legal and not an actual maximum; the reserves were 500. The Navy had 6 destroyers, 5 minesweepers and 3 auxiliaries.

Excluding the Royal Canadian Air Force, one is apt to talk of Anglo-Saxon apathy and of Canada's unpreparedness for war. But why should Canada have a large army? An army has a purpose, and what would be the purpose of a Canadian army? To help Britain? But Britain herself, until last year, had an army that was little more than an imperial police force. For home defense? But no enemy can invade Canada until it has first defeated the British Navy in the Atlantic or the American Navy in the Pacific. And there are other factors which must be taken into account. First, Canada, with a population less than that of New York State, has a federal budget which normally is

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smaller than that of New York City. The Dominion was thus in no position during the recent lean years to lavish its restricted funds on the armed forces. Second, any proposal to expand the Canadian army or navy has always raised the controversial issue: whose army and navy is it to be — Canada's or Britain's? Many Canadians, outside Quebec as well as in, have always felt that even if Canada paid for a peacetime enlargement of her armed forces, in time of war they would be merged with British forces and lose their Canadian identity. This they opposed.

And last there is the question of conscription — and no issue in Canadian politics contains more political dynamite. In the last war enlistment was on a voluntary basis until 1917 when conscription was instituted; its enforcement split the Liberal Party wide open, provoked a desultory civil war in Quebec, and aroused varying degrees of resistance in some of the English-speaking provinces. This time the issue has been handled more tactfully. For months Mr. King has been promising that there will be no conscription and Dr. Manion has repeated the pledge. Only two of the minority parties advocate it. In certain parts of the Dominion the recent Quebec election is being misinterpreted as an indication that nation-wide conscription is now possible. Nothing could be further from the truth. One has only to talk with French Canadians to realize that many of them voted Liberal because they regard a Federal Cabinet including Mr. Lapointe as a better guarantee against conscription than a Cabinet without him. At any rate, for some time to come conscription will be an academic issue. The Allies do not need Canadian man power; they believe that Canada's most effective contribution can be made along quite different lines. Meanwhile volunteering continues but with little encouragement from the Government. Two volunteer divisions of 16,000 men each have nearly been raised and by early winter the first will depart for England to be trained and equipped.

The Royal Canadian Air Force presents quite a different picture. During the World War, Canadian pilots hung up a fine record; and by 1918 nearly 40 percent of all pilots in British service were Canadians. This popularity still continues, and as a result the Air Force has the pick of Canadian youth. In the spring of 1939 it consisted of an active force of 261 officers and 1,930 men, with reserves of 1,100. Its limited amount of equipment is purely for training purposes. Following the arrival of Lord Riverdale's mission in October, there have been quasi-official statements that

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Canada will train 25,000 pilots a year recruited from nearly all parts of the Empire, and will build a gigantic aircraft industry. Against these optimistic assertions should be set the fact that in November, the third month of the war, Canada's production of military planes was no more than ten. No airplane motors are made in the Dominion, the aviation industry being limited to building frames, importing engines, and assembly. Production can doubtless be expanded both as concerns quantity and types, but this will take at least two years. Meanwhile, since planes must be found for the pilot-training school, an order for 1,500 machines has been placed in the United States.

There is a similar disparity between the roseate picture of Canada as the coming industrial citadel of the Empire and her present industrial capacity. There have been numerous reports that Britain will spend 3 billion dollars in Canada to build or expand vital war industries. If one remembers that in 1938 Canadian factories and installations were valued at only 3.5 billion dollars, the magnitude of the proposed expansion is apparent. The war may be so devastating to British industry that the creation of a new centre of production in Canada will become absolutely essential for the survival of the Empire. But until this necessity arises, both Britons and Canadians are likely to oppose such a plan. British industrialists showed great reluctance during the spring and summer months to let armament contracts pass to the Dominions; their opposition to a migration of factories will surely be even greater. Nor is the Canadian businessman very keen for such a development. During the spring of 1939 he showed singular apathy in getting orders bagged by Australia and New Zealand. Not until August did the Canadian Manufacturers' Association have a committee in London to solicit contracts.

The Canadian Government, at any rate, has no desire to see such a gigantic industrial development. It is problematical whether this expansion could remain a Canadian-controlled affair. Much of the capital, management and technical skill would be British, since a country of eleven million does not have the reserves of trained ability that such expansion presupposes. Canadians do not want a sizable portion of their economy controlled and managed by Britons. Also, they have been asking themselves the question: after the war, what? If the peace is a real peace, then Canada will be left with a tremendous, idle war industry. Meanwhile, the autumn has seen an increase in business

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activity to 1937 levels, but no runaway boom. As in the United States, most of the gain has been due to domestic factors — replenishing depleted inventories and preparing for anticipated foreign buying. Large war orders from the Government have been few, and those from abroad fewer still. The Dominion authorities have contracted for shoes and uniforms for the army, and for small munitions. One of the few large orders from Britain has been the purchase of 46 million dollars' worth of Canadian copper.

On the agricultural front, Canada can supply all the wheat Britain will take. This year's crop is one of the best on record, 478 million bushels, and there is a carry-over of 102 millions. Canada herself will consume about 110 millions, leaving nearly 470 millions that must be sold abroad. Canada's wheat problem is a legacy of the last war and it is from a similar fate that Ottawa wishes to save Canadian industry in the present war. In 1914 Canada had only 10 million acres of wheat under cultivation; in 1915 it spurted to 15 millions, in 1919 to 19 millions, and in 1921 to 23 millions. There was no problem when prices were good and when a crop, such as that of 1919, had a value of 458 million dollars. But from 1930 through 1938 Canada's wheat crop had an average annual value of only 175 million dollars.

The outbreak of war buoyed up the sagging spirits of the Prairie Provinces, for they naturally assumed that they would now be able to sell *all* their wheat, and at a good price — something they have not done for several years. On August 31, wheat on the Winnipeg Exchange sold for 59½ cents; in five business days it climbed to 82 cents. Then it slowly dropped to 70 cents, the price guaranteed by the Government, and has hovered there ever since. The *Winnipeg Free Press*, in a long editorial on October 9, noted that since the outbreak of war very little wheat had moved from Fort William to Europe. Further investigation revealed that Britain was buying wheat in Argentina and Uruguay because of the cheaper price. To be sure, the British were merely carrying into practice their principle of waging the war as economically as possible; but a great hue and cry arose within Canada. The Prairie Provinces, whose entire prosperity depends on wheat, put pressure on Ottawa to negotiate with London. To date no agreement has been reached. The difficulties are two: the form of payment and the price. There are numerous indications that the British would like to buy a fixed amount of wheat — perhaps 100 million bushels — at a closed market price. The

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Prairies, feeling that this would be less than the prevailing price on the Winnipeg Exchange, are not eager for a private arrangement. Nor is Ottawa. For having guaranteed the farmer 70 cents a bushel for his best wheat, the Government sees no reason why it should accept a London price of 60 cents, thereby making the British a gift of ten cents on every bushel. In the end the Prairies will undoubtedly sell their crop, and at a fair price. Compared to the 35-cent wheat of the depression it will be a good price, but it will not be the $1.22 wheat of 1914.

The small amount of British buying, both of wheat and manufactures, is also due to financial obstacles. Britain has about 2.7 billion dollars of Canadian securities of which one billion consist of government bonds and Canadian National Railway securities that Ottawa can easily repatriate. Britain also has a gold reserve in Canada — how much is problematical though estimates place it at half a billion dollars. But thus far London has shown little desire to repatriate its Canadian paper or to spend its gold; the first it is saving for purchases in the United States and the second for a war reserve. The British prefer to finance their Canadian purchases by long-term credits pledging their paper as collateral, whereas Canadians prefer a little hard cash. There the matter rests. If the war becomes more destructive, the British will not be so free to bargain and in that case Canadian securities will be repatriated. And if its destructiveness endures over several years, Canada may well emerge as a creditor of Britain.

Sir Wilfrid Laurier used to remark that the nineteenth century was America's but the twentieth would be Canada's. If the present war is long and devastating, it may well transform Canada into the industrial and financial citadel of the Empire. Even a short war may have the same ultimate result. For there are scattered though significant indications that influential circles in Britain feel that the Empire's future strength should be based on Canada rather than the British Isles. Sir Wilfrid's prophecy may come true, and Canada, instead of seeking greatness, will have it thrust upon her.

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IRELAND AND THE WAR

By Stephen Gwynn

ALONE among the members of the British Commonwealth of Nations, Eire has not followed Great Britain into the war against Germany. This is bound to leave a deep imprint on the relations between the two countries. Indeed, Irish neutrality may well have an important influence on the course of the war. The strategic proximity of Eire to Britain and to the principal British sea lanes must inevitably create problems never before confronted by English statesmen.

Not least among the factors complicating Anglo-Irish relations is the partition of Ireland into two unequal parts — the twenty-six counties of Eire and the six counties of Northern Ireland. The Six Counties are in most ways an integral part of Great Britain. They are at war with Germany. Recruiting goes on there actively: two old and famous regiments have headquarters there, and another — the North Irish Horse — is being revived. Goods come and go to Great Britain free of customs duty, as they go from Glasgow to London. Yet there is one difference: conscription is not imposed in Northern Ireland, and will not be without the consent of the parliament at Belfast. In law, no doubt, the Imperial Parliament has the right to impose it; in practice it wisely abstains from doing so. And the Belfast parliament will be held back from imposing it by the knowledge that one third of its population, the Catholic minority numbering some 400,000, would resist it by all means.

Yet that same Catholic population — like the entire population of Ireland, Catholic or Protestant — detests the names of "Hitler" and of "Nazi" as fervently as any community in Great Britain. None the less, the Catholics who comprise nine tenths of all the inhabitants of Eire have decided to be neutral. I must endeavor to make plain what this means.

The Irish Times — a leading Dublin paper which up to the Irish Revolution was Unionist — said wittily and wisely that Eire is, by her own choice, an "honorary member of the British Commonwealth." She has the privileges of membership and pays nothing for them. Or, to put it otherwise, she has the rights which the other Dominions have but of which they have not chosen to take advantage. True, General Hertzog, while he was Prime

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Minister, proposed that South Africa should remain neutral, but he was overborne in his parliament, and now General Smuts governs in his place, backed by Colonel Reitz, one of the men who fought hardest against the British forty years ago. The two Dutchmen are of course supported by the British elements in South Africa, and doubtless all have been moved by a fear lest dissension on this matter should prevent South Africa from attaining complete unity. Colonel Reitz, a frank soldier, said in public that after the final conquest of the Boers England had shown great generosity, and that the Boers would be unworthy of themselves if they did not repay it by service.

I myself think that since the Treaty of 1921 was signed England has dealt with Ireland not less generously than with the Boers. But South Africa has had nearly twelve years longer to shake off the old bitterness; and it is not every country that has the equal of General Smuts for guidance in an emergency. Mr. de Valera has shown at Geneva qualities both distinguished and generous that set him at least on a level with General Hertzog; but he, also like the Boer nationalist, was committed by his past record to a somewhat exaggerated detachment from English interests. And unfortunately among those Irish nationalists who might be inclined to recognize — like Colonel Reitz — that England had shown good will towards the newly established freedom, no man stood out conspicuously. Certainly there was none among them big enough to disregard a charge that he was consulting England's welfare rather than Ireland's. And so, by general consent, nationalist Ireland decided for neutrality, even though sympathy with Poland has been universal and the detestation of Hitlerism intense. As to Russia, her admirers are few indeed either among Catholics or Protestants.

Nevertheless, Mr. de Valera himself admitted in debate that a considerable element in the country desired that Ireland should range itself, as South Africa has done, actively on the side of Great Britain. He cited as holders of this view two members of the Senate, Sir John Keane and Mr. MacDermot. Both of these are (by Irish standards) rich men; both took part in the last European war — Sir John Keane holding an important command; and they may be regarded as representing the old Unionist element in what is now Eire, which comprised about one tenth of the population but a much larger proportion of the property. They may be taken also as representing the ex-service men, of

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whom there are not less than 200,000 survivors. How many men Ireland sent to the last war is uncertain; but we know from the records compiled by the committee charged with the task of organizing a national war memorial that the dead were in round numbers 50,000, which implies a total of something like half a million serving — and all served as volunteers. Thus it will be seen that there must have been a very considerable body in favor of declaring openly against Hitler.

But Mr. de Valera insisted that there was also a section which, even if it did not approve Hitler, counted England as the traditional enemy to be struck whenever there was a chance — and recent performances of the Irish Republican Army give only too good proof of this view. He himself, even at the time he ended the long "economic war" with Britain early in 1938 by making a friendly agreement with Mr. Chamberlain's Government, stated publicly that no reconciliation could be complete as long as the partition of the country endured. In his view, that partition was imposed by England, is maintained by England, and could be ended by England. He has expressly disclaimed the very idea of using force to join the North to Eire. But he and his partisans hold that England should in the first place withdraw her troops from Ulster, and in the second, discontinue the financial assistance which in varying forms is given to that part of the United Kingdom. He declared frankly that unless and until this is done it would not be possible for him to offer the full support of Ireland in a crisis. There is nothing unexpected in his attitude or in the approval given it by the Dublin parliament, even though it places Eire in a situation which must lead to many awkwardnesses.

Consider the facts. Irishmen and Irishwomen, as citizens of the British Commonwealth, may freely enter Great Britain to seek any form of employment, either in public or private service; and thousands of them do so. Recruiting for the British forces is not permitted in Ireland outside the Six Counties and no British officer or sailor or soldier is allowed to appear in uniform in Eire. But for years there has been a stream of men going from Ireland to enter the British Navy and still more the Army; they have been welcomed, for an admixture of Irish has been found highly useful in all regiments; and the Irish Government has done nothing to discourage this process, which probably has accelerated in recent months. Nobody has raised the question whether Ireland's neutrality is compromised by this action of individual citizens.

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On the other hand, Irishmen employed in Great Britain who by their age would have become liable to conscription have been free to return to their own country; and enough have returned to aggravate the already serious problem of unemployment. These facts however are not likely to lead to much heartburning. Certainly very few in Ireland will be sorry; indeed, a great many must have exulted on learning that the first officer to gain distinction in this war was Acting Flight Lieutenant Kenneth Doran, decorated with the Distinguished Flying Cross for leading the air raid on the Kiel Canal immediately after the outbreak of hostilities. His name marks him for Irish; and not a few other names, unmistakably Irish, have appeared in the early reports of fighting.

But the fact remains that all along the Irish coast soldiers in Irish uniform are on guard; and it is their duty not merely to repel all attempts at a landing by Germans, but to take in charge and intern any British ship of war or aircraft that may touch an Irish harbor or Irish soil. How far the civilian population may assist them in their duty, one cannot be sure. A story reaches me that a British plane made a forced landing somewhere in the country and was immediately surrounded by people ready with offers of help, and even of petrol, till finally it could take the air again, without any official cognizance of what had happened. Whether this be true or an invention I cannot say; but it corresponds to my estimate of what would probably occur. The Civic Guard, our Irish police, would more likely have their attention directed to any other place than that in which they could make the seizure. I am not even sure that an active member of the I. R. A. would want to put a plane and its crew out of action. Englishmen, as individuals, are well liked in Ireland; and as between Herr Hitler and Mr. Chamberlain, Irish sympathy would not hesitate.

On the other hand, during the last war it was generally believed that German submarines were often supplied with petrol and other provisions at out-of-the-way places on the west coast. It was then the task of persons acting for Great Britain to prevent this. That duty now falls on the Irish armed forces; and in my opinion, for what it may be worth, the work will be more efficiently done. Nevertheless, the British Navy is denied the use of all Irish ports except those within the jurisdiction of Northern Ireland; and this includes three naval bases which were considered so important that when the Treaty of 1921 was drawn up, control of them was still reserved and British occupation con-

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tinued. These were the harbors of Lough Swilly on the north coast of Donegal, commanding the route passing to the north of Ireland; Bere Haven in the extreme southwest, commanding the passage round Cape Clear and along the south coast; and finally Queenstown (now Cobh) in the southeast, a port of call for much Atlantic shipping. All these three "Gibraltars," as they came to be called, were protected by modern forts and heavy artillery.

The continued occupation of these by British troops was resented as a diminution of Ireland's independence; and last year, as part of the agreement between Mr. Chamberlain and Mr. de Valera, they were handed over, with all their equipment, to the Irish forces. British detachments remained for a period, but only to train Irish gunners in the manipulation of this complicated machinery. How much these bases were worth to the British Navy in the last war and how much it will be handicapped by lack of them in this one, is a matter for naval strategists to decide; but certainly both Bere Haven and Lough Swilly saw many assemblies of British vessels. Mr. de Valera, as was natural, claimed much credit for regaining these alienated parts of Irish soil; but one effect of that success must be to hamper the work of a navy which is protecting the most vital interests of Irish commerce. Ireland cannot protect herself at sea; the British Navy not only can, but does.

Nevertheless, ugly as the situation is in this respect, it might have been uglier. I hold that Mr. Chamberlain was wise to make the concession — for this reason: if those three bases were still in British occupation, it would have been necessary to establish military control of the areas surrounding them in order to prevent such things as signalling the movement of British ships to the enemy. This would have entailed military control over the large counties of Donegal and Cork. But any attempt by British troops to exercise such control would have been regarded as a first step to reconquest; and an Irish war would inevitably have broken out. To have left this military control to the Irish forces would have implied that their support or at least their highly benevolent neutrality could be counted on; and such an assumption is more than Mr. de Valera feels able to offer.

There is no need to enlarge upon the possibilities of friction, of which one inevitable result must be to widen the gulf between Protestant Ulster and the rest of Ireland. Nevertheless, reviewing the facts, I do not think it likely that relations between Great

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Britain and Eire will be worsened by the war; and this implies of course that I see no prospect of an attempt by the Irish State to attack Great Britain, directly or through Ulster.

There is undoubtedly one element among the Irish — in Eire, in Ulster, in the United States and in Great Britain itself — which supports or approves the action of the I. R. A., and which would, by its own logic, omit no chance to break the power of Britain in order that an Irish Republic might be proclaimed and Ulster be forced into it. This faction cannot be called negligible for it commands the service of fanatics who will with apparent cheerfulness risk and accept heavy sentences. Yet its activities seem notably to have lessened of late. For one thing, Mr. de Valera has imprisoned several of the known leaders in Ireland on the charge of being connected with an organization dangerous to the state. For another, its most conspicuous exploit has probably disgusted many of its supporters: a bomb set in a crowded English market place at Coventry which killed and maimed large numbers of ordinary men and women. There is a limit to what even sincere fanatics will approve. In any case, the numerical strength of this element is not important; and when Mr. de Valera proclaimed the I. R. A. an illegal organization and forbade all its public appearances, no reaction followed. Danger lies only in the chance that England may feel driven to resent some consequence of Ireland's neutrality, and may take some action which appears to infringe Ireland's claims to independence. This course would be exploited to the utmost by the I. R. A., who could then appeal to such among Mr. de Valera's partisans as wish to regard themselves as honest if somewhat temerarious patriots.

Happily, hopes for avoiding such an eventuality have strong grounds. For one thing, Ireland cannot, even if she desires, give much support to Germany: only a few small vessels fly the Irish flag and they, like other neutral ships, come under observation of British patrols. The main intercourse between the countries is carried on by regular steamship lines, at least two of which were under the Irish flag before the war began. However, on the outbreak of war both were confronted with a strike of seamen who refused to sail except under the British colors, insisting that only in this way could they be sure of provision for their wives and families in case their ship went down. Further, it is vital for Ireland's interest that sea communication with England should be kept open; for, as Mr. de Valera has recently impressed upon the

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Irish parliament, half of what Ireland imports comes from Great Britain, and nine tenths of what she exports goes there. Consequently, the chief interest of Ireland, next to assuring her own prosperity, is that Great Britain should be well off; indeed, her own prosperity depends upon a prosperous Britain.

Even as a neutral, Ireland feels the same pinch that Britain does. Indeed, she feels it more now than when she was part of the United Kingdom. In the last war Irish farmers made money as they had never made it before. It was then to England's advantage to encourage this source of supply within her own dominion. Today the same considerations of self-interest operate, except that now there is no reason why she should be more concerned to secure the inflow of Irish butter and bacon than of Danish. In reality, however, the thing is much more easily done, and the whole of Anglo-Irish commerce runs under the English flag.

But the first question for Ireland is whether she can supply herself. Normally, she imports a great deal of her wheat and maize across the Atlantic; but England does also and she will naturally see first to her own consumers. Mr. de Valera has endeavored to increase wheat growing as part of his effort to make Ireland self-sufficient. You certainly can grow wheat in Ireland, just as you can grow plums; but they can be grown a great deal more cheaply and better in other countries, whereas oats and barley, like apples, will do as well in Ireland as anywhere. The fact remains that Ireland grows grass best of all, which naturally gives an edge to cattle and horse breeding. The inducements to tillage are therefore few.

Mr. de Valera has never considered how to exploit Ireland most profitably as if it were a huge farm. He has wanted to give the maximum of varied employment to Irish people, and so has established a very drastic protective system, which of course has raised the price of everything that the farmer has to buy — including maize for stock feeding. Then came the "economic war," when Mr. de Valera refused to continue payments which England considered to be due under the treaty arrangements and which had been paid by Mr. Cosgrave's Government. England collected the money by levying duties on imports from Ireland, mostly of farm produce. Ireland retaliated. Harm was done to both sides, but the Irish farmer was hit the hardest; and Ireland became, and still is, under-stocked in cattle, while pig feeding and poultry raising have also slumped. At present, the Irish farmer in the

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Six Counties, with a smaller amount of good land, is better off than his competitors in the Twenty-Six. It is a curious fact that the Northern Ministry of Agriculture has not found it necessary to make tillage compulsory, whereas Mr. de Valera (only a few days after he had expressed a hope that such a step could be avoided) imposed the obligation on all farmers to till 12½ percent of their land. Further, he tells the farmers that the essential products on which they must concentrate are wheat and sugar. Now the cultivation of beet for sugar was introduced into Ireland only after it became self-governing. His essentials are thus not the things which Ireland produces best, and Irish farmers by no means look forward to a golden harvest. Yet in spite of all, Ireland will undoubtedly be a great source of supply for Great Britain in meat and butter — the meat going over largely on the hoof. Pig and poultry raising will no doubt also be developed. But Mr. de Valera's gravest problem will be that of employment; he has dotted the country with little factories of various kinds, and most of these depend on imports for their raw materials. Will he continue to get these imports so the factories can carry on? That is his agonizing question. Widespread unemployment would mean not only great expense but discontent, and discontent spells danger.

My hope is that the war will improve, and not weaken, the relations between Ireland and Great Britain, even though it would be chimerical to entertain the same hope in regard to the relations between Eire and Ulster. In the first place, Irish sympathies are on the general issue with the democratic cause. There is, of course, the element represented by the I. R. A.; but this organization certainly can be more easily controlled by Mr. de Valera than by a Prime Minister who could be reproached with having accepted a treaty giving Ireland less than full independence. Mr. de Valera resisted the treaty, and since he came to power has virtually abolished it, so that in fact Eire has all the attributes of a sovereign state. There remains the single grievance that an important province of the island is still excluded and that a vote of the majority for the entire island does not govern all Ireland.

Everything, in reality, turns on Mr. de Valera. The Irish parliament is unfortunately not rich in personal ability. It came out of a revolution; it has been manned almost exclusively by the class which made the revolution, — and that was only a section even of nationalist Ireland. The wealthier and better educated

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elements in the country, whether Catholic or Protestant, are scarcely represented. What matters more, the outstanding men of the revolutionary party who opposed Mr. de Valera and who accepted the treaty are not alive. When the civil war began over the question whether acceptance of the treaty should or should not be final, Michael Collins was killed in a skirmish and Griffith, head of the Government, died almost at the same time. The task of governing fell to a group of unknown young men, among whom was one of genius — Kevin O'Higgins, the ablest man that Ireland has produced since Parnell. But O'Higgins was murdered in 1927. Mr. Cosgrave, a model of courage and shrewdness, has never captured the imagination of the country; and he and all his colleagues are still unpopular from the executions which the civil war forced them to carry out. Further, he has not, like Mr. de Valera, the will to power — the conviction that his leadership is indispensable to Ireland.

Much, then, turns on the character and abilities of one man. Mr. de Valera is liked to a surprising extent by the British statesmen who have met him. It was plain when the recent agreement was reached that he on his side had been impressed by Mr. Chamberlain's friendly disposition; and in the autumn of 1938, when it chanced that he presided over the League of Nations Assembly at Geneva, he supported in the strongest way Mr. Chamberlain's attempt to secure peace. In short, he supported the Munich Agreement and it is reasonable to assume that the flagrant breach of faith which followed was resented by him hardly less than by Mr. Chamberlain himself.

No one disputes his personal integrity; few even of those who have disapproved his whole policy would deny him a certain nobility of temper; very few indeed desire to see him replaced by another man in this emergency. But many hold that the crisis calls for a national government, and would wish to see some of Mr. Cosgrave's party — such as Mr. Cosgrave himself, Mr. McGilligan and Mr. Dillon, son of the old Nationalist leader — associated with the present ministry (to which they have promised full support). Beyond question, its intellectual quality would be raised; but Mr. de Valera, if I judge rightly, prefers to be completely master. His attitude will be that of a neutral pushing benevolence so far as is possible without compromising his independence of action.

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INDIA TODAY AND TOMORROW

By John Coatman

THE outbreak of war caught India already moving rapidly toward a political crisis. The scheme for an All-India Federation, after having been before the Indian public since 1930, had been formally embodied in a statute since 1935. By the summer of 1939, however, the prospects of Federation had all but vanished under the combined opposition of the Princes, the Moslems and other minority communities. Then in September an even more fateful problem — that of India's status in the British Commonwealth of Nations — arose. For the All-India National Congress, the most powerful political movement in the country, has declared that it can give whole-hearted support to Britain only after India has become a full-fledged democracy, taking her place in the Commonwealth on exactly the same terms as Canada, Australia, New Zealand or South Africa.

This demand is not a mere attempt to trade on Britain's present troubles. The Congress leaders of course fully appreciate the strength of their unique bargaining position; but they are in full sympathy with Great Britain's aims in this war as defined by Mr. Chamberlain and Lord Halifax. They would rather help than embarrass Britain and it is noteworthy that they are not demanding the severance of the connection between Great Britain and India. There is no talk of fighting for independence. Put in a nutshell, what the Congress leaders are saying is this: "You are fighting for democracy and for all the spiritual and political liberty which that word implies. The Government of India is not yet a fully democratic government and, although the people of India sympathize with you in your present struggle, it is not possible for them to release their immense physical and moral power unless they feel that they are fighting to safeguard something which they themselves possess and dearly prize."

There can be no doubt that sympathy with the British and French cause and a desire to help are very widespread in India, and that this is a factor which Congress dare not ignore. Moreover, Mr. Gandhi himself is not inclined to make political capital out of Britain's present preoccupations. It is quite certain that large numbers of Indians wish to help the British Government at this crisis, and that only a small minority wants to oppose it

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actively. The Viceroy, Lord Linlithgow, has been busy during the last few weeks interviewing the representative leaders of all shades of organized Indian opinion. From all that we can hear, these meetings have been cordial and frank, and there can be little doubt that Indian opinion is now more friendly towards the British Government than at any time since 1919.

What has been the British response to this demand from the All-India National Congress — a demand, be it noted, which is not supported by any other organized political interests in India? In a White Paper published at Delhi on October 18 Lord Linlithgow stated that no major constitutional development could take place in India during the war. In taking this view he was supported by Lord Zetland, Secretary of State for India. The Viceroy did, however, promise that there would be full consultation with all sections of Indian opinion after the war, if this should be found necessary and desirable, and that in the meantime he was arranging for a consultative body representative of Indian opinion generally to be associated with him during the war.

This announcement has not satisfied Congress. Mr. Gandhi has described it as profoundly disappointing, while Pandit Jawaharlal Nehru more forcibly talks about it as spurning the hand of friendship extended by Congress to the British Government. Mr. Gandhi says that the Viceroy's statement simply shows that the old policy of divide and rule is to continue. The Working Committee of Congress followed these words by demanding that the governments in those provinces where the Congress Party was in power should resign. Accordingly, the ministries have resigned in Madras, Bombay, Bihar, Orissa, Assam, the Central Provinces, the United Provinces, and the North West Frontier Province — some of them, it may be said, very unwillingly. No attempt is being made to form alternative governments, and the administration is being carried on by officials, as is provided by the Government of India Act of 1935. However, anxious efforts to reach an agreement are still being made on both sides; already it is clear that Mr. Gandhi does not wish to exploit the situation by calling on Congress to practice civil disobedience.

Another encouragement may be gained from the debate on India in the House of Commons on October 26. Mr. Wedgwood Benn, speaking for the Labour Party, asked for a clear answer to Mr. Gandhi's questions about British war aims and India's share in the freedom for which the British Empire was fighting. Sir

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Samuel Hoare, replying for the Government, stated unequivocally that full Dominion status for India was the aim of British policy, and that the Viceroy desired to take Indian political leaders fully into his confidence. The effect of this declaration in India has been definitely good, and it may be that Lord Linlithgow's suggestion for a consultative body, mentioned above, may after all prove to be the bridge for an understanding between Congress and Government.

Actually, the Viceroy's declaration is an important advance towards the Indian Congress position, particularly as regards the promise to reëxamine the whole constitutional position after the war and to form a consultative body, which might develop into a coalition government for the Federation when it is set up. These things will be perceived by Congress men when the first disappointment of their more ardent hopes has faded. Furthermore, the other important sections of Indian opinion — the Princes, the Mohammedans, the Moderates and the depressed classes — will actively resist any attempt to give effect to the Congress demands. The Congress Party, let it be recalled parenthetically, has no great following in any of the parts of India from which the bulk of the Indian Army is recruited.

Two problems have impeded India's progress towards full Dominion status: (1) the position of the Indian Princes; and (2) the divergent social, religious and political interests of the Hindu and Moslem communities. The transcendent importance of these problems presided over the labors of the Round Table Conference held between 1930 and 1932, as well as the subsequent decisions of the joint select committee of Parliament which examined the British Government's Draft Government of India Bill. And today the British Government must give them full weight in its search for a solution to the great question of All-India Federation. The war will inevitably introduce new conditions and loose new spiritual forces which will probably transform the basis of Indian political life. Yet, the one inescapable condition for the creation of an autonomous nation in that vast subcontinent must remain the attainment of political unity by means of an All-India Federation — and nothing that Congress or the British Government can do or say will alter this fact.

At the outbreak of war the position regarding Federation was briefly this. The Princes had declared (June 1939) that the terms offered to induce them to enter into the proposed Federation were

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"fundamentally unsound:" the Mohammedans were in open revolt against the scheme, which they said would subject them to Hindu domination, while other communities, including the depressed classes, were likewise antagonistic. The opposition of the Princes and the Mohammedans seemed particularly intractable — and for reasons readily understood.

The great Indian Princes at present enjoy full domestic sovereignty, and they naturally hesitate to surrender any material part of this. For example, they do not want their States overrun by federal agents, their law courts subordinated to British Indian courts, or their resources put at the disposal of any external authority. Above all, they do not want to have the control over constitutional reforms in their States taken from their hands or their relations with their own people influenced from outside. If they could be certain that their present privileges would always be guaranteed by the British Crown, many of their fears would vanish. But suppose the British Crown is replaced at some future date by an autonomous Indian Government. Could they then be as certain of the sanctity of their rights?

Again, as they look at British India, the Princes see the overwhelming political supremacy of the Congress Party. Of the eleven British Provinces, eight had Congress governments at the outbreak of the war. Now the antagonism between the Congress Party and the Indian Princes is bitter and of long standing. As long ago as 1922, Lord Reading had to use the extraordinary powers vested in him as Viceroy to protect the Princes from the flood of vilification constantly directed against them, both as an order and as individuals, from Left Wing quarters in British India. Since the inauguration of the 1935 Act, the Congress Party has carried on a ceaseless campaign against the Princes and has intervened directly in State politics by demanding that the Princes undertake political reforms aimed at giving public opinion in their States a decisive voice in government. Congress, of course, wants these reforms carried out under its supervision. Mr. Gandhi's personal intervention in the affairs of Rajkot State in March 1939, his threat to fast to death, and the subsequent intervention of the Viceroy, were the most dramatic and publicized events in this campaign. But in many other States the intervention of Congress agents has resulted in various forms of disorder.

The population of the Indian States constitutes only about one fifth of the population of India. Thus, even though their represen-

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tation in the Federal Legislature and Government is to be weighted in their favor, they will always be in a definite minority. In the upper house of the Federal Legislature they will have 40 percent of the seats; but in the lower house, which will inevitably be the more important, they will have only 33 percent. If, therefore, the Princes believe that the Congress Party is destined to retain its predominant position in British India and to maintain its antagonistic attitude towards the princely order, they will most likely continue to look askance at Federation.

The opposition of the Mohammedans to Federation is no less formidable than that of the Princes. The Mohammedans are, of course, in a minority; but as there are nearly 90 millions of them, their position is very different from that of an ordinary minority. Since the inauguration of provincial autonomy, Mohammedan opposition to Federation has grown steadily stronger. Put quite simply, the Moslems' position is that Federation will place them in a status of hopeless inferiority in the Federal Government *vis-à-vis* the Hindus, since the great majority of the Indian States are Hindu. Hindu-Moslem antagonism, it must be admitted, arises primarily from political causes. Mohammedan spokesmen say that wherever there is a Congress government, Mohammedans are oppressed because the personnel of the Congress Party is almost exclusively Hindu. Their opposition to the present proposals for Federation has not stopped at words, for there have been outbreaks of rioting during the past few months.

In weighing the prospects for Federation we must examine the actual working of provincial autonomy — that part of the 1935 Act which was brought into force in 1937. Under this Act the electoral basis of the provincial legislatures was immensely widened as compared with the Montagu-Chelmsford Reforms of 1919, which the present Constitution superseded — the electorate was multiplied about fivefold, so that there are now between 35 and 40 million voters in British India. The ministries in the provinces, which are chosen on the usual parliamentary principle, now have complete control over all subjects of provincial administration, subject only to certain special powers vested in the provincial governors, which until the present crisis were practically unused. There is, in fact, a rather striking analogy between the position of a provincial ministry in India and in Canada. On the other hand, the Indian provincial ministry is more independ-

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ent of its central government than is its counterpart in South Africa. In a word, parliaments and responsible governments were set up in the eleven provinces of British India.

After the general elections in 1937, at which the Congress Party was returned to power in eight provinces, there was at first some doubt as to whether they would accept the responsibility conferred upon them by the electorate, and a dangerous deadlock threatened for some time. However, these doubts were eventually dispelled and "provincial autonomy" started on its career towards the end of that year. Even so, there were still some extreme elements in the Party which announced that, although they were prepared to sit in the provincial legislature and even join provincial cabinets, they did so only in pursuance of the old Congress ideal of wrecking the reforms from within. It need hardly be said that a provincial cabinet containing a sprinkling of avowed wreckers would not constitute a particularly good administration, unless the prime minister happened to be a man of extraordinary force and skill.

There were other possible sources of trouble. Practically all the Congress election manifestoes had contained sweeping promises of social and economic amelioration, and the Congress voters, having put their men in power, naturally looked to them for an early fulfillment of these pledges. Further, the Congress Party had long engaged in active, often violent, agitation against the constituted government. It was hard for the rank and file to realize that they themselves had created the new provincial governments, and they continued to organize anti-government activities in various provinces. In some provinces the Congress governments thus had to face riots, strikes and various other outbreaks. Also, many of the Congress ministers took office suspicious of their governors and of the great imperial services, particularly the Indian Civil Service and the Indian Police, whom hitherto they had regarded as their natural enemies. Though these doubts have not entirely died away, the loyal acceptance of the new conditions by the services has reduced the ministers' suspicions to a point where they no longer form a serious feature in the political situation.

Side by side with these potential causes of danger were other factors which encouraged a more optimistic view of the future of the new Constitution. From the moment the Congress leaders began to talk about refusing to take up the power which they had

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won at the elections, a marked and serious cleavage of opinion arose in their ranks. Some leaders were determined, if necessary, to accept office even in defiance of the orders of Mr. Gandhi and of the Party executive. Similar cleavages took place, one in 1926, when an influential section of the Party declared openly that it would no longer participate in the policy of wrecking the Montagu-Chelmsford Reforms from within, and in 1924, when the late Mr. C. R. Das defeated Mr. Gandhi on the question of entry into the Montagu-Chelmsford legislatures. In short, whenever the Congress Party has been given an opportunity for constructive work and for the exercise of effective political power, there has always been an influential section ready to undertake the work and to use the power. In provinces like Madras and Bombay these sections were particularly strong, and in certain other provinces they were strong enough to maintain ministries in opposition to the governing caucus of the Congress Party.

The outstanding fact about the working of the 1935 Act in the provinces is, then, that it has worked. It had been widely feared that in the all-important field of law and order the new ministries would come to grief. Some justification for this foreboding was found in February 1938 — almost before the new governments had got into their stride — when the Congress ministries in Bihar and the United Provinces arranged for the release of prisoners who had been convicted of "political" offences during the previous régime. This was certainly the sort of contingency envisaged when the provincial governors were given their special powers. Yet it can easily be seen how dangerous would have been a simple uncompromising refusal by the governors to allow their prime ministers to have their way. The Working Committee of Congress would have exploited the situation to the full, and in the passions which would have been aroused the nascent Constitution might quite conceivably have perished.

Happily, the crisis was handled with considerable skill by the Viceroy. His efforts, it must be acknowledged, were supported by the moderation and sense of realities displayed by the prime ministers in the two provinces and by many of their colleagues. The two governors were directed by the Viceroy to refuse to agree to a general and indiscriminate release of all political prisoners. Naturally this led their prime ministers to tender their resignations. But it was obvious that scope was still left for negotiations. After a short period of anxious consultations it was

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agreed that the governors would follow their prime ministers' advice in regard to a number of cases which had already been under examination, and that the cases of all other political prisoners should be examined individually on their merits. In Bengal, too, the ancient problem of political détenus, which had already caused as much trouble as any other single question in postwar Indian politics, was brought to an end during 1938 by the release of the men detained. A less severe crisis arose in May 1938 in Orissa, where the Congress Party successfully opposed the appointment of a senior civil servant to act as governor while the regular governor was on leave. Here again an unpleasant situation threatened for a time, but the worst was avoided by the obvious desire of all concerned to prevent a breakdown.

In the general field of maintenance of law and order, the Congress governments of Bombay and the United Provinces settled strikes at important industrial centers by direct intervention, while the governments of other provinces have not hesitated to crush violent outbreaks of lawlessness by force. Also, during the two years following the inauguration of the Act every provincial ministry was able to enact a good deal of valuable social and economic legislation. All of which is a message of good promise for the future even though it does not justify too easy an optimism. After all, two years is a short time in which to judge the success of an experiment of such importance and magnitude as this. The most anxious testing time lies ahead — when the Indian Princes, and the governments and peoples of the British Provinces, definitely face up to the Federation issue.

The difficulties arising from the opposition of the Princes and the antagonism between the Hindus and Moslems will certainly grow no less formidable as time goes on; nor is there at present any prospect of the rise of an effective opposition to Congress in those provinces where it now holds sway. All the elements that threatened deadlock before the war still remain, and very likely will become even more effective. The present attitude of the Congress leaders widens the gulf separating them from both the Princes and the majority of the Mohammedans. There are parts of India too where Communism has already made headway, for there are many places where social and economic conditions provide good soil for the propagation of Communist ideas.

As the war continues, India will inevitably be subjected to many of the economic and social strains affecting all the bellig-

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erent countries. In India some of these strains will become exceptionally great, and the war will undoubtedly necessitate many sweeping changes in all aspects of Indian life. Yet these changes will by no means be entirely disastrous. The progress of India's internal politics may well be such as to make possible some sort of accommodation between the Congress on one hand and the Princes and Mohammedans on the other. If Mr. Gandhi and Pandit Jawaharlal Nehru persist in their recently proclaimed attitude, another split may quite possibly develop in the Congress Party. Throughout its career, and particularly during the last two decades, the All-India National Congress has been steadily supported by important sections of the Indian business and financial world. In other words, it is not at all a proletarian party, and there are good chances that, once its claims have been met in a way which satisfies every reasonable expectation, Congress will in fact become a conservative party.

In any case, every development of extremism in the Left Wing of Congress will only drive the more moderate elements further to the Right — a process which will be intensified by the industrial and agrarian unrest to which the war must inevitably give rise. Above all, any appreciable extension of Communist doctrines among the Indian masses will help push the majority of Congress towards the Right. This development will obviously improve the relations of Congress with the Princes and the Mohammedans. Federation will then become less difficult.

Economically, too, the effect of the war ought — on balance — to be favorable. India will, of course, be put to considerable expense, but there is no doubt that with the experience of the last war before them, both the British and Indian Governments will arrive at some equitable distribution of the costs between them. For the rest, India, as an agricultural and raw-material-producing country, will naturally benefit enormously from the boom in such products as wheat, cotton, oil seeds, rubber, jute, manganese, mica, steel and iron, aluminum, lead and wool — to name only the most obvious ones. The war will also inflict injury on India's economy in various ways. But the immense size of her population, now nearly 400 millions, ensures that the fighting forces will absorb only a very small percentage of the country's man power and that there will be no scarcity, or even disorganization, of the labor market. India's war potential on the battlefield is immense: she can raise great armies from some of the finest

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fighting material in Asia. A highly expert committee is now considering the question of mechanizing the Indian Army, for which purpose the British Government had set apart substantial sums even before the war. A modernized Indian Army can look after not only India, but British and Allied interests elsewhere in the Middle and Far East.

The list of several of India's leading products recited above gives an idea of the diversity of the country's resources. A few figures will show the scale on which she can produce some of them. In the year 1938–39, for example, she produced over 1½ million tons of pig iron, approximately 1 million tons of steel ingots, and not quite that amount of finished steel. She manufactured nearly 1¼ million tons of jute, of which she exported over 955,000 tons. In the same year she exported over 540,000 tons of cotton and over 15,000 tons of wool. In the previous year she exported over 8,500 tons of raw rubber, over half a million tons of oil seeds, and a large amount of manganese, mica and other mineral products. These figures, which merely exemplify the scale of India's output, are capable of expansion — and of course they will be expanded.

Lastly, India will prove to be an immensely valuable industrial asset to the British Empire. Her factories are already equipped to turn out many kinds of munitions, various types of machinery, railway rolling stock, finished iron and steel goods, manufactured textiles, chemicals and other items useful in war. For twenty years India has ranked among the eight greatest industrial countries of the world; yet her industries, mining, transport and trade employ only about 7 percent of her total population. She has thus a tremendous reserve on which she can draw to staff whatever industrial expansion may be necessitated by the war. The iron and steel industry on the Chota-Nagpur plateau is already of the highest importance, and may within the next decade or two become the second, if not actually the first, iron and steel producing region in the world.

To sum up, the Congress demand for full Dominion status does not make any fundamental change in the constitutional situation in India. Congress does not speak for all of India, and the deep divisions between the various classes and religious communities which we have noted as obstacles to Federation prevent an immediate and complete compliance with Congress demands.

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EL DORADO BECKONS

By Percy W. Bidwell

EXPORT trade is the avenue through which the European war directly affects the American economy. Many observers regard the war as a providential opportunity to increase American exports. Belligerents, they point out, need vast supplies of airplanes, munitions, and other war supplies which American firms are able and eager to provide. In addition, they tell us, American exporters will find new opportunities in neutral markets. "So far as the Old World is concerned," writes one enthusiast, "United States manufacturers and producers now have practically no competitors in markets worth two billion dollars a year." In his wide grasp, this speaker seized for our benefit markets in the four corners of the earth formerly supplied by German, French and British producers. But, for the most part, the boosters of American exports have lavished their attention on the possibilities of increased sales in the Latin American market. Much as the prospects of selling to hundreds of millions of Chinese stirred an earlier generation, potential sales in the millions of square miles south of the Rio Grande stir the imagination of American traders of today. They find support for their hopes in the commercial statistics of 1914–1920.

After a ten percent decline in 1915, United States exports to the other American republics rose sharply in 1916, reaching in 1917 a total value equal to more than twice the prewar level. This was only the beginning. After a year of hesitation, the advance was renewed in 1919, carrying the export figures in 1920 to the amazing sum of $1,483,323,550, five times the 1910–14 average. Our share in the total purchases of the Latin American republics from all countries rose from 23 percent at the beginning of the war to 49 percent in 1920. To repeat this performance on perhaps an even larger scale is the "golden opportunity" which now floats before the eyes of American exporters.

A European war, the condition which gave the initial impetus to our trade expansion in 1915–20, is again present. The principal belligerents — England, France and Germany — will probably, as before, be greatly handicapped in their attempts to continue shipments of clothing and textiles, machinery and other industrial products to the ports of Central and South America. German

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trade will probably once more be entirely cut off. Will American exports again rush in to fill the gap? How will the war affect the ability of the Latin American countries to pay for imports? Shall we resume lending them money? How far will our government intervene actively to support the new trade expansion? Will such intervention help or hinder the development of a permanent Good Neighbor policy?

In 1938, the combined imports of the twenty Latin American republics had a value (in U.S. dollars) of 1.4 billions. Two thirds of this amount was supplied principally by the three leading industrial nations. The United States furnished 36 percent; Germany, 17 percent; and the United Kingdom, 12 percent. The remaining third included trade between the Latin American countries themselves (roughly 10 percent of the total), imports from France (3.5 percent), Italy (3.1 percent), Japan (2.7 percent), and from a large number of less important suppliers.

Valued at the official rate of 40 cents to the Reichsmark, the German sales were worth 238 million dollars; but because of the liberal use made of overvalued Aski marks in the Latin American trade, a figure of 200 millions would probably be nearer the truth. If we assume that the Germans in this war will have no greater success in evading the Allied blockade than in 1914–18, it looks as if there were now a 200 million dollar gap in the Latin American market. But it does not necessarily follow that an equivalent amount of American goods can be pushed into that gap. For, through barter deals, a considerable amount of German goods was exchanged for surpluses of coffee, cotton, cacao beans, and other products which would not have been saleable in the same quantities in a free exchange market. The United States, with a few unimportant exceptions, has rejected barter dealing as inconsistent with its trade policy; hence a further discount may have to be applied to the German trade prize.

Sales of English and French goods to the Latin American republics in 1938 amounted to about $220,000,000. How much of this can be captured by our exporters? The answer depends upon the ability of British and French textile mills, iron and steel plants, and miscellaneous smaller industries to keep up production and keep down costs, and upon their success in securing transportation. Shipping may prove the crucial factor. We may be sure that both France and England, bent upon protecting their balances of international payments, will spare no effort to keep

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exports moving. In the last war English goods were not driven from Latin American markets, although their proportionate share fell from 24 percent in 1913 to 16 percent in 1918.

Our capacity to supply the manufactured goods which constitute the bulk of the European goods bought by Argentina, Brazil, Mexico, Chile and other southern countries is unquestioned. For many years American textiles, machinery and machine tools, automobiles, hardware, electrical goods, leather goods, watches and clocks have been keenly competitive with European goods in these markets. American whiskies may not exactly suit Argentinian palates accustomed to ten-year-old Scotch; our automobiles are larger and more expensive than the German makes; Brazilian railroads may not find our coal sized or graded exactly like the German or English coal. But, judging from the experience of twenty years ago, such differences will not prove serious handicaps to the growth of our trade. In certain lines, as for example dyestuffs and pharmaceuticals, we are in a far better position to supply Latin American deficiencies than we were in 1914. Our export firms have the advantage of twenty additional years of dealing with Latin American customers. Finally, transportation and communication facilities have enormously improved. Airways furnishing mail and passenger services have brought Buenos Aires and Rio de Janeiro almost as near as were London and Paris in 1914. Scores of American ocean freighters, excluded from European ports by our new neutrality legislation, will be available for Latin American trade.

But what about payment? Our neighbors to the south, as they find it increasingly difficult to supply their needs for industrial products from Europe, may be expected to turn to representatives of Yankee firms able and eager to supply them; but where will they find the necessary exchange? There are three major possibilities: the credit side of their balances of payments may be swelled by increased exports; by proceeds of new loans or direct investments; and possibly by increased expenditures of American tourists.[1]

Enthusiasts who see in the present situation a rich opportunity

[1] In 1937 and 1938 American tourists spent an annual average of about 150 million dollars in European and Mediterranean countries. Travel expenditures in Latin America were about 110 million dollars, of which only 7 percent was spent in South America. In view of the European war a larger percentage of United States tourists may now go southward, but it is doubtful whether this will substantially affect during the next few years the total of dollar exchange available in Latin American countries.

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for our exporters are apt to forget that Latin America's trade with Europe is a two-way street, and that war will interfere with traffic in both directions. The continuance of the buying power of Argentina and Uruguay, Brazil and Chile depends largely on their sales to belligerent markets. Estimates for 1938 show that 11 percent of all foreign sales of the twenty republics was destined for Germany, and 16 percent to the United Kingdom. For certain countries, the degree of dependence was much higher than the average, as appears from the following table:

PERCENTAGES OF TOTAL EXPORTS IN 1938

From	*To the United Kingdom*	*To Germany*
Bolivia	62.5	1.1
Argentina	31.8	11.5
Uruguay	26.1	23.5
Costa Rica	24.4	19.2
Chile[2]	21.8	10.0
Peru	20.0	10.6
Brazil	8.8	19.1

Argentina depends on the British market for an outlet for 90 percent of its meat exports, for over one third of its corn, and for one quarter of its wool. Brazil disposes of the bulk of its cotton crop to Germany and the United Kingdom. One third of Chile's all-important copper exports go to the United Kingdom; Chilean wool is sold principally in Germany and the United Kingdom. The latter takes practically all of the Chilean exports of mutton. France and Germany are large buyers of Colombian, Brazilian and Central American coffees.

During the first World War, the value of the exports of the Latin American republics to the United Kingdom showed substantial gains ($588.7 millions in 1918 as compared with $329.8 millions five years earlier). Exports to France increased also, but on a smaller scale. In this war, as in 1914, we have to consider the submarine menace and a possible shortage of shipping;[3] but, in addition, the British policies of restricting civilian consumption and diverting overseas purchases to Empire sources must be reckoned with. Profiting by the experiences of the last war, England is about to ration certain imported foodstuffs such as butter and

[2] Chilean export figures do not show the destination of nitrate exports.

[3] Shortage of shipping might reduce the total *volume* of imports into England and France, but still the *value* of the imports might increase, as happened in 1914–18, owing to price increases. But as far as the buying power of Latin American countries is concerned, it is value, not quantity, which is decisive, and wartime demand is notoriously inelastic.

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bacon. But military demands will probably far overbalance civilian savings on meat, wheat, sugar and fats, and on raw materials such as wool, hides and copper.

England's agricultural resources, notwithstanding vigorous government encouragement since 1931, are not capable of meeting any considerable part of the new demand. But the Dominions — Canada, Australia, New Zealand, South Africa — are great reservoirs of bread grains, meat, fruit, wool, hides, and vegetable oils. In recent years, large "surpluses" of some of these products have accumulated. Canada, for example, will be able, it is estimated, to export this year enough wheat to supply the entire English imports for a two-year period. Rhodesia can replace Chile and Peru as sources of copper. South Africa and Australia are large exporters of wool and hides.

The preferential tariffs set up in the Ottawa Agreements of 1932 have diverted a considerable proportion of English overseas purchases from foreign to Empire sources; now the desire to conserve to the utmost English supplies of exchange, and to support the value of the pound, will reinforce tariff policy. How far England will carry the diversion process depends on the duration and character of the war, and particularly upon the effectiveness of the German submarine campaign. If economy of shipping becomes a primary consideration, the nearer sources of supply will have preference: Canadian grain will have an advantage over Argentine, but Argentine and Uruguayan wool and hides will be on an even basis with South African, as far as distance is concerned, and twice as attractive as the Australian supplies. Argentine, Uruguayan and Brazilian beef will probably hold the British market against Empire competition. In this case, lower costs and better services, made possible by the vast slaughtering and chilling establishments of Buenos Aires, Rio and other ports, will probably outweigh other considerations.

On balance the prospects of large increases in the value of Latin American exports to the European belligerents seem dubious. European neutrals deprived of Empire wool, copper or hides may possibly turn to South America for their supplies, but their demands will be reduced below the peacetime level by measures restricting consumption and imports.

But the United States need not depend on triangular trade for the expansion of its exports to Latin America. We can increase our own imports and thus ourselves create the dollar exchange

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needed to purchase more of our flour, canned milk, automobiles, chemicals, office equipment, electrical appliances and a thousand other modern Yankee notions. This suggestion is most frequently heard in export circles, and in newspapers published in our eastern cities. But in the Corn Belt, in the flaxseed growing area of the Dakotas, in states from Ohio westward where wool or dairy products provide a substantial part of farm income, in regions where cattle ranching predominates, it meets most emphatic negatives. To this chorus of dissent the voices of the oil men in Texas and Oklahoma and of the copper miners in Montana and Michigan add a strident obbligato. Evidently the nation is not agreed as to the best method of promoting our exports to the Latin American countries.

The truth is that some of the principal exports from those countries — sugar, wheat, flaxseed, corn, beef, hides, wool, cotton, copper and oil — are competitive with important products of our own farms or mines.

The situation is best summarized by reference to the status of imports from Latin America under the American tariff. As a general rule, all competitive imports are dutiable (even some whose competition is indirect). At present dutiable goods make up about one half our imports from the other American republics, but this average conceals many wide divergences. In 1937 over 90 percent of our imports from Cuba and Paraguay were dutiable (*i.e.*, they are competitive) and over 80 percent from Argentina and Uruguay. On the other hand, only 13 percent of the imports from Brazil paid duties.

The distinction between dutiable (competitive) and free (non-competitive) imports is of major importance when framing a policy to encourage trade with Latin America. In putting coffee and bananas on the free list, our government has done about all it can to promote their importation. Our coffee roasters by spending millions in advertising have made Americans the largest consumers of the great Brazilian product. The importation of bananas is largely in the hands of a single large corporation which has effectively promoted their consumption. Our purchases of the principal non-competitive raw materials — tin, rubber, nitrates, henequen and quebracho logs and extract — fluctuate widely with swings in the cycle of domestic business. In prosperity we buy more; in depression we buy less. If the war actually brings a considerable measure of industrial recovery, our markets will

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absorb larger amounts of raw materials of all kinds. In this change, our southern neighbors will be in a much better position to profit than in 1914–18.

With regard to imports of competitive products, the obvious first step, if we wish really to increase imports, is to lower our tariff barriers. For this purpose machinery is ready at hand in the trade agreements program, but thus far it has been only timidly employed. The European war, with its threat to our trade relations with the Old World, has given a renewed impetus to tariff bargaining with our southern neighbors. On November 6, 1939, a new trade agreement was signed with Venezuela. The principal concession on our side was on crude petroleum and fuel oil which constitute 85 to 90 percent of Venezuelan exports. For its part, Venezuela cut tariffs on 35 items exported from the United States, including lard, wheat, flour, lumber, furniture, and parts for agricultural machinery. Negotiations have been begun with Argentina, Uruguay and Chile, all large exporters of competitive commodities which we now restrict by substantial tariff duties. Trade treaties with these countries, and perhaps a few other South American states, containing real concessions on both sides, would be a most effective contribution to the expansion of our Latin American trade. Whether they can in fact be negotiated depends, in part, upon the willingness of our southern neighbors to give us an even break in their exchange controls, but also upon the courage of the present Administration in withstanding the attacks of domestic pressure groups.

Farm organizations have already launched attacks whose violence has astonished even seasoned observers of the tariff struggle. The opening, on October 16, of the public hearings on the Argentine agreement was the signal for a descent upon the Interdepartmental Committee of more than thirty Senators and Representatives, both Democratic and Republican, unanimously opposing the grant of any concessions on farm products imported from the Argentine. Hour after hour for two days, the Committee members listened to a mass of "testimony," much of which was irrelevant and incompetent. Some of the protesting Congressmen, realizing perhaps that their remarks could have but little weight with a Committee interested primarily in the facts of the competitive situation, threw into the scales the threat that, if, despite their wishes, duties on farm products should be reduced, they would destroy the entire trade agreements program.

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Echoes of this threat have been heard in subsequent speeches in Congress.

If the channels for importing *farm* products and raw materials from Latin America are so thickly strewn with political mines that little increased traffic seems possible, what are the possibilities of imports of *industrial* products? This problem is now being actively studied by our importers, with the coöperation of the Bureau of Foreign and Domestic Commerce. What they have in mind are not "tourist goods," novelty wares such as Mexican glassware, Peruvian silver, Chilean blankets or Ecuadorean homespuns. Handicraft products of this type are not considered to have potentialities for volume sales to American buyers. The search is rather for products like women's leather gloves, chinaware, glassware and fine knit goods, which until recently have been supplied principally by Germany, Czecho-Slovakia, Austria and Italy. Department stores in the larger cities, after handling these goods for many years, now find their European sources of supply threatened by war; and even if German (which now includes Czech, Austrian and Polish) goods could arrive they would be difficult to sell to an unneutrally-minded public. In casting about for alternative sources of supply, importers have turned to the nearest area where wages are still low, *i.e.*, Central and South America. (In the last war, Japan furnished many manufactured goods formerly imported from Germany; but now the consumer's opposition to Japan's present policies in China precludes any important enlargement of purchases from that country.)

For the development of heavy industries, Latin America is handicapped by the lack of fuel and iron ore located in close juxtaposition, and by inadequate development of internal transportation. But in the light industries — food products, cotton textiles, shoes, paper and its manufactures, tires and other rubber products — striking progress has been made in the past twenty years, particularly in the neighborhood of Buenos Aires, in the State of São Paulo in Brazil, and in certain districts of Chile and Peru. So far, production has been entirely for domestic markets. But under certain circumstances, it can be made the basis for building manufacturing for export.

Women's leather gloves of the type previously imported from Czecho-Slovakia might possibly be made in Argentina, Brazil or Chile. There is no lack of raw material; as a matter of fact, skins for glove making have regularly been supplied from South Amer-

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ica to German, Czech and Austrian tanneries. The large Italian colony in the neighborhood of Buenos Aires and the many Chileans of German descent in the south central part of Chile might be trained as factory operatives. For the manufacture of artistic glassware in Peru, reliance could probably be placed largely on Indian labor, whose handiwork, produced in numerous small glass factories, has shown a distinct appreciation for beauty in design. Wages throughout Latin America are absurdly low, measured by American standards. But labor's output per man is also so far beneath that of the American workman as to remove much of the apparent advantage in labor costs. Account must be taken also of additional expense imposed by labor legislation.

Argentina and Chile afford interesting possibilities for the production of linen goods in the medium-priced and cheaper grades. The huge Argentine flax crop, it is true, is raised exclusively for seed; but were a sufficient demand for fibre present, a certain proportion of the acreage could be diverted for that use. Chile produces flax for fibre, some of which has been of quality high enough to justify its export to Ireland. Both countries have plenty of cheap labor for the arduous and disagreeable tasks involved in cultivating and harvesting flax, and for the preparation of its fibre. A part of Argentina's well-established cotton textile industry might be diverted, without revolutionary effects, to the production of linen textiles. A further possibility is the production in Chile or Peru, where fine native wools are available, of the hand-knit embroidered sweaters formerly imported from Austria.

The change from production for the domestic market to production for export is revolutionary; it will not come automatically, as prospective importers are well aware. Either they, or other American businessmen, must find initial capital, perhaps supply management as well, and furnish the all-essential advice in styling the new products for the American market. On this account we may expect progress to be slow. For the immediate future the resulting exports measured in dollars will be meagre.

The success or failure of new ventures such as we have described will depend on political as well as on economic factors. The attitude of Latin American governments, and of our own as well, may be decisive. For a number of years the prospects for investment of capital in our sister republics to the South have been beclouded by anti-foreign policies. A "war of economic independence" is in progress. The struggle, although assuming a

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variety of forms in the different countries, is unified by the desire—common to all of them — to free their economic (and political) life from the dominance, or the threatened dominance, of foreign capital. In Mexico and Bolivia, the attacks on the foreign oil companies resulted in expropriation; in Argentina, operations of foreign-owned oil companies have been restricted by the privileges granted a government-owned corporation. In Chile the position of the foreign businessman is no bed of roses. Chile has put its government into business by setting up a state-owned oil importing and distributing company; it has required the reorganization of a great American-owned public utility so as to give representation on its Board to Chilean nationals and to afford government participation in its earnings. Like a number of other Latin American countries, Chile restricts through its system of exchange control the expatriation of profits earned in the country. In Peru, the radical political party, the Apra (*Alianza Popular Revolucionaria Americana*), has as the strongest plank in its platform the control of foreign capital. This demand, says a writer in *Fortune* (January 1938) is the "hard core" of nationalism that characterizes nearly all vital Latin American movements.

In meeting anti-foreign policies, new ventures, like all direct investments already made, may rely somewhat on diplomatic protection, but a surer guarantee of fair treatment probably lies in persuading the masses and their governments that the new enterprises will raise productivity and living standards, and not merely exploit natural resources for the benefit of foreign investors.

It will be essential to give new manufacturing ventures a distinctively national character by insisting that capital invested be national to the extent of perhaps one half the total. This objective may prove difficult to attain in countries in which capital has traditionally been as scarce as labor has been plentiful. Capital has been accumulated in Latin America, generally, by great landowners, who have invested it in more land, or in government bonds, or in European enterprises. Recently, however, in both Argentina and Chile there have been indications that new capital is available for domestic investment; in Argentina, it is estimated, sixty percent of the capital now invested in manufacturing enterprises is of local origin.

There is, finally, the question of loans. Trade can always be stimulated, at least temporarily, by lending. If the loans are wisely made, the resulting increase in productivity may provide

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the basis for a permanent expansion in international exchanges. What are American investors prepared to do in this direction? And how far will government agencies supplement their activities?

There is, of course, a presumption against lending new money in any form in countries which have defaulted on old loans. Altogether, Latin American governments have borrowed 1.6 billions on dollar bonds, of which 77 percent are now in default.[4] Argentina and a few other Latin American countries have a fairly clear record. Some countries, because of the collapse of prices for their principal export commodities, obviously are unable to meet service on the loans lavishly granted them without due consideration of their economic future. Other countries seem to have reached a stage of economic recovery where resumption of payments at least on a partial scale would be possible; but still no payments have been forthcoming. Continued default in such cases looks to the bondholders like repudiation. However, calling names will not settle anything. Only a realistic approach to the problem, including a consideration of the conditions under which the loans were made and of the effects of subsequent price changes and exchange depreciation, can lead to a solution. Until such an attitude prevails, defaults will remain an obstacle to new lending.

Our direct investment in Latin America, now estimated at somewhat over three billions, is a horse of another color. Beginning approximately at the outbreak of the World War, the migration of American industry to South America resulted in the establishment of manufacturing companies and public utility services, and the opening of mines and oil wells. All of them were supplied not only with American capital but with American management and direction. Meat packing in Argentina, silver and copper mining in Peru and Chile, oil wells in Colombia, Peru and Venezuela, public utilities in Argentina, Cuba and Brazil, fruit plantations in Central America have yielded satisfactory, in some cases very profitable, returns to American stockholders. An extension of this type of investment would be one of the most promising methods of economic coöperation with Latin America.

The Export-Import Bank has now become the principal government agency for financing foreign trade. By agreeing in March

[4] This estimate of the Bondholders Protective Association includes outstanding foreign dollar bonds issued and/or guaranteed by governments or political subdivisions thereof. "A Survey of Latin America's Bonded Debt to the U. S. A." prepared by Business Publishers International Corporation estimates the total at $1,718,200,000, of which the amount of interest in default is estimated at $1,287,500,000.

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1939 to extend acceptance credits up to $19,200,000, to the Bank of Brazil, it attacked the problem of unfreezing sums due to American exporters. Such loans help temporarily to bridge gaps in the balances of international payments. But neither they nor loans to "stabilize currencies" reach the underlying causes of the exchange difficulty, *viz.*, the lack of balance in international payments. More promising in this direction are the Bank's loans running from one to five years, and in some cases longer, to promote exports. They have aided in financing sales of American locomotives to the Chilean State Railways, in the promotion of public works in Haiti involving the export of engineering equipment and materials, and in the expansion of the business of the International Telephone and Telegraph Corporation in various parts of South America. Recently credits have been extended to the government of Brazil ($6,000,000) for the purchase of locomotives, to Nicaragua ($2,000,000) for the extension of its road system and for other public improvements, and to Chile ($5,000,000) "to develop production." The Bank has given particular attention to Latin American trade, but has used its powers so cautiously that its present commitments in that field probably do not exceed $25,000,000.

The danger in a large program of lending public funds abroad is that government policy is rarely based on strictly economic considerations; most of the loans already made by the Export-Import Bank have had political or semi-political objectives. Also, if the Administration is serious about its Good Neighbor policy, it should remember that bad loans do not make good friends. Our bankers made the mistake in the twenties of overlending to Latin America. Now that the government has replaced the banks as the principal lending agency for both domestic and foreign business, it can well profit by their experience.

Wars always throw trade out of its accustomed channels. Neither England nor France, certainly not Germany, will be able to supply Latin American markets as effectively as in times of peace. To a certain extent, American firms will be in a position to profit, as we did in 1914–18, by our rivals' preoccupation elsewhere. We have the capacity to supply all the industrial and agricultural products which our southern neighbors are in the habit of importing, and we have the ships in which to carry the goods. But Latin Americans must have purchasing power in terms of dollars.

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In the first World War, they were able to buy more of our manufactured goods by selling more raw materials and foodstuffs to the belligerents and to us. But now the picture is changed. This war is different. It is a poor man's war, fought with great caution both on the military and economic fronts. England and France are economizing to the utmost so as to keep the volume of imports at a minimum, and are drawing those imports as far as practicable from their own imperial dominions. This policy will not affect all Latin American countries equally; but, on balance there seems little reason to expect, certainly not in the next year or two, a great expansion in the demand for Latin American goods on the part either of European belligerents or of neutrals.

This brings the problem down to our own trade relations with Latin America. We can always sell more goods if we are willing to provide funds to finance their purchase. The memory of recent defaults is still too fresh to permit another wave of private lending; but today's experiments in government lending through the Export-Import Bank may be supplemented tomorrow by larger ventures. The danger in such lending, as far as the promotion of foreign trade is concerned, is that being motivated too largely by political considerations it will not be self-liquidating.

No matter how we beat the devil about the bush, we cannot escape the conclusion that the only way to sell more is to buy more. Our purchases of Latin American raw materials and food products will automatically expand if, as seems probable, we are entering a period of rising prices and expanding domestic trade. But if we want to provide for a permanent increase in our Latin American trade we must modify our tariff policy. Under proper restrictions, perhaps under progressively expanding tariff quotas, we can safely take larger amounts of competitive raw materials and foodstuffs and perhaps of semi-competitive industrial goods as well. Either we must be prepared for sacrifices and readjustments, and they need not be too large, or else we must give up the idea of an expanding export trade. There is no alternative.

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RADIO, CENSORSHIP AND NEUTRALITY

By César Saerchinger

THIS is a new kind of war, and every day that fact is being driven home. It is a new kind of war not merely for those who wage it, but for the neutrals who watch it. Science and invention have seen to it that no nation, and no stratum of society, is preserved, either from its horrors or from its threats and alarms. Those who experienced the first World War remember how, for Americans, it was still possible to "get away from it all" by staying at home and not reading the papers. Today, thanks to the radio, we cannot do even that. We boast over twenty-five million "radio homes" and millions of radio-equipped cars. The mass of the people is conditioned to radio — relies on it for useful information, entertainment and the "solace of sweet sounds." And even those strong-minded individualists who seek isolation within themselves are roused from their reveries by the radio next door, in the taxi, or in the adjoining car awaiting the green light. We are living, as H. G. Wells predicted, "with the voice of the stranger always in our ear."

In 1914 we were adjured by President Wilson to be neutral in thought as well as in acts. Today our President, at the very outset, admitted that he could not ask that every American remain neutral in thought. Thoughts are the mainsprings of our acts; and thoughts, expressed in words, are beating in upon us — no longer in cold print alone, but in the passionate vibrations of the human voice. We can no longer isolate ourselves either from news or propaganda. We are exposed to the flood of words, against our wills and regardless of our capacities to discriminate. In the face of that condition, how can we safeguard our neutrality, without infringing on our liberties, without retreating from our democratic way of life?

Once again the dictatorships have the advantage over democracy. They, who have sharpened the new tool of propaganda, have also devised means of defense against it. In Germany listening to foreign broadcasts is a prison offense; passing on information heard over the radio is punishable by death. In Germany, according to press reports, the sale of radio sets is virtually restricted to the kind which pick up local broadcasts and no other. In this country, even minor restriction on

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radio — either on the transmitting or the receiving end — would be resented by every self-respecting citizen. And every hint of government interference with the workings of the radio industry is interpreted as an infringement of the inalienable right of free speech. And yet, some voices are raised against our democratic generosity in protecting the "stranger's voice" in its invasion of our ears, and in claiming freedom of speech even for those who would advocate the throttling of that very freedom of speech.

Every day, and almost every hour of the day, our citizens have access to the doctrines which have killed the fundamental human liberties in a large part of the world. Every week for years, we have been able to listen to opinions in our own country which, if carried into practice, would mean the end of racial and religious tolerance, and the substitution of mob rule for the rule of law. If we have tolerated these things it is not merely for the sake of a sacred principle, but because of our confidence in the power of reason and common sense to prevail over prejudice and passion. "The American people," as Dean Ackerman picturesquely puts it, "are not boobs." Father Coughlin, no less than the spokesmen of Hitler and Stalin, may safely have his say — despite the war and the difficulty of staying neutral in thought while bombs are being dropped on women and children and helpless refugees throng the roads. Our passions may be roused not merely by facts but by distortions of fact, since we are open to propaganda from all sides. And propaganda may be so subtle that its distortions may deceive many who are by no means "boobs." The safeguarding of our neutrality has obviously been rendered more difficult than ever by our exposure to the radio wave.

II

The American radio industry has always been especially sensitive on the question of free speech, for the United States is almost the only country in the world where radio is independent of the Government. In Europe, the question of free speech does not arise in the same way as here. There is, of course, freedom of speech in such countries as Great Britain, France, Sweden or Denmark in time of peace — even on the radio. But since in all these countries, except Holland and France and some British dominions, broadcasting is a monopoly either exercised by the state, or delegated by the state, there is no remedy against the denial of facilities or against official censorship. Even editorial

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discretion, practiced by broadcasting authorities everywhere, becomes "censorship" when it is officially controlled. And against state censorship there is no appeal, except public opinion, in so far as it can make itself felt.

In America, however, not only is there no censorship of radio, but the Communications Act of 1934 expressly forbids the exercise of any kind of censorship by the authority which regulates the radio industry, namely the Federal Communications Commission (F.C.C.). The Commission has from time to time criticized radio programs after they have been broadcast, chiefly on the grounds of morals or good taste, and this has been interpreted by the industry as an unwarranted censorship. Also, in the recent case of Station WMCA, the broadcasting company has been called on the carpet for an alleged infringement of the radio law, and asked to show cause why its license should not be revoked. But it turned out that the alleged offense (intercepting secret code messages of belligerent powers and rebroadcasting a deciphered version) was not committed; a published news story about the alleged stunt had merely been used by the broadcasters as an idle boast to show their "cleverness" in covering the war.

These *post facto* criticisms have been made under the clause of the law which says that the broadcasting franchise must be exercised "in the public interest, convenience and necessity." The theory is that the air lanes, or "frequencies," belong to the people, and a frequency is assigned to a broadcaster for a limited period (six months at a time). If they are not operated in the public interest, convenience and necessity, the F.C.C. can refuse to renew. Although such refusals thus far have been rare, and only for the obvious elimination of a public nuisance, the broadcasters contend that the necessity to renew hangs over them like a sword of Damocles, and that therefore the Government, via the F.C.C., exercises a "censorship of fear."

We need not go into the merits of this long-standing argument. But it must be admitted that it has been a constant irritant in the relations between the radio industry and the Government. And back of that has been a smouldering suspicion that the Government itself would like to have a finger in the broadcasting pie; in other words, that it would like to emulate the European governments in annexing radio as a powerful means of propaganda for itself. That, it has been agreed, would be the beginning of the end of free speech.

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This suspicion was reënforced in 1938 by such moves as the introduction of two bills for the erection of short-wave stations to be operated by the Government, for the purpose of what might be called counterpropaganda against the totalitarian states. In order to help along our "Good Neighbor policy" with the Latin American republics, the Government was going to spray South America with news and "cultural" broadcasts, to counter the propaganda geysers operating from Germany, Italy and Japan. The British Government was already doing its share (in an effort to retrieve some of its lost South American trade), and the temptation to imitate John Bull lay close at hand.

But American private enterprise had already closed in on the problem. *Inter alia* the National Broadcasting Company was developing a sixteen-hour service with a set of powerful short-wave transmitters situated at Bound Brook, New Jersey; Columbia near New York; and the World-Wide Broadcasting Corporation in Boston were supplementing this with the lighter artillery of their short-wave transmitters. These services were having some good results, and N.B.C. in particular could show thousands of foreign fan-letters per month, not only from South America but Germany, France, Italy and all over the world.

Why, then, need the Federal government try to compete with private enterprise in this field? The obvious inference was that the Administration was cutting in on the radio industry, and that short-wave broadcasting was merely the thin end of the wedge. Short-wave stations operated with the "beam" system are almost exclusively used for long-distance reception; but the fact is that these transmissions can also be excellently heard at close range. It is conceivable, therefore, that the American broadcasting industry might find itself up against unfair competition, against irresistible government pressure exerted on network stations to take departmental programs supplied by short wave. The government projects were eventually shelved.

Early in 1939, however, came another attempt from the F.C.C. to regulate the short-wave transmissions of the radio chains and other short-wave broadcasters. Short-wave licenses, the Commission declared, would be issued on the understanding that the stations would render "an international broadcast service which will reflect the culture of this country, and . . . promote international good will, understanding and coöperation." The National Association of Broadcasters (N.A.B.) and the Civil Liber-

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ties Union protested vigorously. The regulation was denounced as an attempt at both censorship and propaganda. Here was a violation, it was alleged, of the Communications Act of 1934 which forbids the Commission's interference with the right of free speech. General Hugh Johnson, with colorful invective, called it a "Hitler Manifesto," and "one of the most cynical, impudent and dangerous attempts to seize unconstitutional and unlawful power we have yet seen." The regulation, after public hearings, was withdrawn. Less than three months later the Commission's chairman, Frank R. McNinch, resigned.

It is only fair to state, however, that before Mr. McNinch's resignation (which may not have had anything to do with the matter in hand) the Commission was attacked both for exercising too much informal censorship and for not exercising enough. This time the discussion concerned domestic broadcasting, not international propaganda. Mr. Stanley High, in a *Saturday Evening Post* article entitled "The Not-So-Free Air," intimated that the silencing of Boake Carter, popular news commentator, was the result of Administration pressure. But Dorothy Thompson, the brilliant columnist of the *New York Herald Tribune*, addressed an open letter to Chairman McNinch, asking pointedly whether the broadcasts of Father Coughlin, supported by spurious "facts" adduced from Nazi propaganda sources, are in the "public interest, convenience and necessity."

Actually Mr. High seems to have been barking up the wrong tree, for the appearance of commentators with definite opinions on controversial subjects, such as labor and the Roosevelt Administration, had been an embarrassment to the broadcasters, and especially to the networks, for some time. But true to their policy of free speech for everybody (even Earl Browder) they were powerless to act. These commentators (the classic example being William J. Cameron, Sunday night symphonic spokesman for Mr. Henry Ford) were not hired by the broadcasting companies but by the commercial sponsors on whose programs they appeared, and whose political faith they reflected — on paid time. Father Coughlin himself, long denied commercial network facilities, was appearing on an *ad hoc* hookup of "independent" stations hired by himself, presumably with the dollars and dimes of his enthralled audience.

These two types of speakers — the biased news commentator sponsored by a commercial advertiser, and the propagandist

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operating on a hired ether-wave platform — really represented two different activities, two variants of what has been called "abuse of the freedom of the air." But they had one thing in common, they appeared on paid time; and therefore could be attacked on that point. The National Association of Broadcasters met the problem very simply. In its new Code, adopted as a means of self-regulation by the industry last July, it ruled that "time for the presentation of controversial issues shall not be sold, except for political broadcasts." The effect of this Code, if it applied to the whole industry, would be that neither Mr. Cameron, nor Father Coughlin, nor General Johnson, nor any other "controversial" speaker would be tolerated on the air, unless he ceased being controversial, or unless he was invited to speak on "sustaining" (free) time by the broadcasting companies themselves. As things have worked out thus far, Mr. Cameron has switched to innocuous subjects such as music and the march of civilization, while the Detroit radio priest seems to be continuing to defy the Code. As a result, he is said to be losing one after the other of his formerly forty-seven stations, which cost him an estimated $8,000 per program. Ten of them had fallen away by the end of November, while others (notably the important Colonial Network, centering in Boston) are refusing his money or donating it to charity, pending further developments.

The snag in Code enforcement is the fact that not all the stations are members of the N.A.B., and some of these stations need the money so badly that they can't refuse a good customer like Father Coughlin, who buys one solid hour a week. Moreover, some of the "independent" concerns within the N.A.B. are not as enthusiastic as the big chains about this noble self-denial, embodied in the Code. One of them, the Texas network of ten stations headed by Elliott Roosevelt, the President's son, has seceded from the Association after violating the Code. Young Mr. Roosevelt believes that "Father Coughlin has as good a right to be heard as anyone" — at any rate anyone with the cash. According to this point of view, the big broadcasters, so wary of censorship from above, have now imposed a censorship themselves.

III

It was in this atmosphere of argument and recrimination — first between government and industry, then among the industry itself, with various disgruntled intelligentsia and rooters for still

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freer speech shouting from the sidelines, that the problems of our neutrality exploded when war began in Europe in September last. First of all came the President's aforementioned neutrality speech and his Proclamation of National Emergency — a limited emergency "to the extent necessary for the proper observance, safeguarding and enforcing of the neutrality of the United States . . ."

The broadcasters were concerned, first of all, with the war, for they had a job to do — the job of informing the American public what was happening and why. And they had to beat the newspapers at their own game. They did a magnificent job. Late in August all the networks went on a twenty-four-hour schedule of operation. They sacrificed hundreds of thousands of dollars in advertising revenue to keep listeners teetering with excitement from hour to hour. Within the fortnight beginning on August 22, 1939, the three major networks devoted over 200 hours of broadcasting time to the European situation. They virtually kept all short-wave transatlantic channels in constant use — at terrific expense. Both N.B.C. and Columbia used a new technique of four-way transatlantic interviews by which commentators were brought in alternately to give eyewitness accounts from the war-frenzied capitals.

N.B.C. scooped the press and its competitors with news of the actual outbreak of war, and later with the sinking of the *Athenia*. Columbia caught the first news of the bombing of Polish towns; and Mutual, by a fluke possible only in radio, picked up, in the night of August 31–September 1, the German Army Order warning planes and ships from the area which in a few hours would be the theatre of war. Never before in history had a war crisis been brought so close to the American public; in fact, American radio supplied censored Europe with information about itself. Thus German listeners learned, from the N.B.C. short-wave news bulletins, about the Soviet-German pact four hours before the German Government gave out news of it.

But this high-tension coverage of the war crisis immediately brought to the fore the other problem, that of preserving our neutrality. War news by radio had become not merely a public service, but a competitive activity that was costing the broadcasters their wisdom teeth. In other words, in the effort to cater to the public's appetite for catastrophe the commentators were being tempted to throw discretion to the winds. Although there

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was a fair attempt at sane interpretation at the American end, comment on the war — except for German operations in Poland — soon changed from factual reporting to "interpretation" and prophecy. There was also a surfeit of impressionism; and for the American public to be told for the *n*th time from Paris that the French were resolute, and from London that the British were keeping their chins up, was apt to sound like propaganda, whether intentional or not.

Real war news, confined to Poland and the Maginot Line, was of course severely censored. News such as the sinking of the *Athenia*, on the other hand, might encourage hysteria. It was realized that war, even thousands of miles away, could be hard on people's nerves — thanks to the radio. It was realized, too, that there was no time for dispassionate "weighing," especially when there was passion in the speaker's voice. "The human voice," as Dorothy Thompson said, "is a more potent conveyor of emotion than is the printed page; it is less likely to appeal to reason; it is more capable of being misunderstood; from time immemorial it has been used to sway and control masses, and this possibility has been incalculably augmented by the radio and the power of reaching millions." A mere inflection of the voice may turn news into propaganda.

These and other considerations caused a raising of official eyebrows in Washington, and the red light was flashed to the radio industry in the form of hints that the Administration was keeping close tab on the war programs. There was also a statement by Stephen T. Early, the President's secretary, that while press censorship might be unnecessary, even in war, radio was a "rookie" and had yet to prove its capacity for self-discipline "without government control over its dissemination of news." This ominous distinction, scanned in the light of the Act of 1934, which gives the President power to take control in time of national emergency, caused the National Association of Broadcasters to suggest that its own three-months old Code was not sufficient, and that the method and manner, as well as the content of news broadcasts, had to be carefully scrutinized. In other words, the industry was establishing an emergency supervision, not only of sponsored programs, but of all programs that have to do with news.

This new self-regulation of the industry was implemented by an agreement between the three major networks — National,

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Columbia and Mutual. Salient features of the agreement are an undertaking to avoid "horror, suspense and undue excitement;" to rule out biased comment, or a biased selection of news (no "editorializing" by commentators); and to maintain fairness "to all belligerents" in handling speeches, proclamations and official statements, meaning particularly those which originate abroad. News and news analyses originating in Europe (such as the now familiar "round-ups" of European capitals) are to be handled by Americans, and "analysis" in this connection is defined as "explaining and evaluating" facts, rumor or propaganda. Each of these categories is, of course, to be labeled, and the sources are to be given.

IV

But listeners are not to be wholly insulated against propaganda. Says the self-regulating agreement: "If broadcasters put on [*i.e.* re-broadcast] propaganda disseminated by radio stations or the press of European countries . . . each will be guided by his own news judgment and endeavor to label precisely the source of the material, and to do this sufficiently often so that no reasonably careful listener is likely to be misled, and he will also be governed by the same rules of fairness in presenting all sides . . ."

What precisely does this mean? It means that not only the speeches of Hitler and Churchill and Daladier will be heard, as heretofore (and all such speeches in wartime contain propaganda), but any blast from Goebbels' propaganda machine (to name only one) may be broadcast here, so long as the source is revealed. Also, any biased version of events, or interpretation of events, from either side, may be repeated (duly labeled) so long as it is balanced by a statement or counterpropaganda from the other side. Indeed, one enterprising network (Mutual) for a while produced a nightly "round-up" of European capitals simply by tapping the short-wave news broadcasts (sometimes amusingly contradictory) of the warring countries.

Now this ruling is certainly a great compliment to the intelligence, quick perception and sound judgment of the average American citizen, or at least the "reasonably careful" citizen. Far be it from the writer to question these qualities. But it might be interesting to make some audience tests as to the average listener's understanding of a given broadcast, and his reactions to it. For it is one thing to read a propaganda article or an

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"inspired" story in a newspaper, to digest it at one's own speed and reflect upon it; but it is quite another thing to hear a statement over the radio, tuning in perhaps in the middle of it, and then to go on to whatever diverting program may follow. Is one's mind always capable of careful evaluation in such circumstances? Or are we still in the dark about the effect of the power of the radio to "suggest," to influence us by way of half-conscious or subconscious perception? Has the radio not introduced an entirely new factor in thought communication, the potentialities of which thus far only the dictatorships have learned to appreciate?

Certainly we do not want to follow their method of combatting the influence of the "inflammatory" word from across the borders. But, some people ask, need we go to the other extreme of helping it along? Not only is the spoken word more inflammatory, but it is more fleeting and less easily analyzed. Radio propaganda is a "hit-and-run" assault, in which the perpetrator is not always identifiable by the victims. Nor are the victims always the same as those who are exposed to the printed word. They include the less intelligent, the less critical, the less educated — even the half-literate and the illiterate — as well as the mature man of judgment. Is it wise to expose them to subtle propaganda which even trained minds cannot always identify as such?

Again one hesitates to suggest anything like a curtailment of free speech — even for the voice of the foreigner. If the voice of that foreigner penetrates our homes, to attack our institutions and, in accordance with the approved Nazi technique, to create antagonisms between groups of citizens, to engender race prejudice, to quote — or misquote — our own officials and publicists in support of his country's case, shall we just let it go?

Of course, that sort of thing can be picked up out of the European ether direct, without depending on the rebroadcasting activities of American stations, with the help of a well-functioning short-wave set. But short-wave listeners are an unimportant part of the public. It is a compliment to our own radio programs that so few of our people ever bother to become adept at short-wave tuning. It is probably no exaggeration to say that the short-wave audience consists predominantly of mechanically-minded fans who are more interested in station identification signals than in political eloquence, and of the nostalgic foreign-born (who might conceivably become a problem if we ourselves were in the war).

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So the danger, if it exists at all, lies in the rebroadcasting of foreign propaganda by our own stations.

V

There is still another aspect of the problem — namely propaganda at home. I have hinted at it earlier, in connection with the controversial matter which is barred by the N.A.B. Code from "sponsored" programs. The action of some broadcasters (e.g. Elliott Roosevelt) has shown that the Code is not going to be obeyed by all the independent (non-network) stations, of which there are some 330 in the United States (some of them are not members of the N.A.B.). It is clear, moreover, that propagandists and crusaders like Father Coughlin will be able to scrape up a hookup of local stations for as long as they can get public support (unless the N.A.B. rule becomes the law of the land).

Father Coughlin has been the center of controversy for several years. He has acquired an enormous following among certain sections of the public, and has aroused the antipathy of other sections through his appeal to racial and religious prejudice and his rather disingenuous attack on one category of "isms" while inferentially approving others. He has shocked many fair-minded citizens by his carefully worded but transparent attacks on various individuals, and by various methods reminiscent of those employed by Fascists in other countries on their path to power. And he has done all this in the name of the democracy which his foreign sympathizers have helped to destroy, and by the grace of which he is given not only free speech but a freedom of amplified speech which permits him to reach the millions.

The story of Father Coughlin's movement is too well known to require further comment. What does interest us is his claim that a denial of radio facilities constitutes a breach of constitutional right. His followers have picketed broadcasting concerns which were accused of having refused him that right, and public disturbance has been the result. The accusation, of course, is unjust. Father Coughlin was not denied access to any radio. He was even invited by broadcasting networks to speak under democratic conditions, namely with opportunity given to his opponents to make adequate reply. He refused these conditions and he has persisted in maintaining a one-sided argument, under conditions which only the advent of radio made possible.

The view that this is a threat to democracy is certainly open

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to doubt. But the adoption of the N.A.B. Code has pointed up the argument in a new way. It creates a cleavage between the part of the radio industry (led by the networks) which conforms to the rules, and that which, largely for economic reasons, does not conform. The latter is setting up a standard of free speech of its own — free speech which is both "free" and expensive at the same time. It is not a democratic conception, for it gives a distinct advantage to those who are able to "buy time." Sooner or later such an interpretation of "free speech" will lead to serious trouble, and it is clearly in the interest of the radio industry to persuade its lesser members to conform.

This is not by any means to advocate the throttling of free and even revolutionary opinion. The silencing of demagogues is no remedy in itself. We must not forget that Hitler never had access to the radio in Germany before he came to power. The denial of radio facilities to him (exploited by the Nazis as a form of persecution) was one of the factors that helped him win in the end. The American radio industry, in adopting rules of self-discipline, guided by a democratic theory of fairness and taking into account the limitations as well as the potentialities of radio, has proved its common sense and its desire to serve the community in a typical American way.

Perhaps the wisest thing that has been said in this controversy was said by Mr. David Sarnoff, when he spoke of American radio as an "automatic alarm," charged with the perpetual responsibility of keeping citizens alert toward any dangers to constitutional liberties and national freedom. "Democracies, too," he said, "need automatic alarms. When the life of their free institutions is threatened, the average citizen is not in a position to sense the danger promptly. In other countries, human liberties have been lost, not through lack of desire for freedom but through failure until too late to recognize the damage of destructive forces. A free press and a free radio are the pillars of American democracy."

By drawing a distinction between "controversial" subjects (not to be discussed on paid programs) and ordinary talks and news commentaries, the N.A.B. has, of course, raised the question as to what is controversial and what is not. Obviously opinions are likely to differ. Controversy lurks in every statement of opinion or fact. Then, again, a subject may be controversial at one time and purely academic at another.

Arbitrary decisions, based on common sense, have to be made.

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One such decision was the recent ruling which bars discussion of neutrality legislation from paid programs. "The methods of achieving and maintaining neutrality," said the ruling, are matters "automatically falling within the sphere of public controversial issues." This naturally enough aroused some protest. Father Coughlin, who was called the leader of the fight against repeal of the arms embargo, and whose radio talks caused many thousands of letters protesting against repeal to be sent to senators and congressmen, simply ignored the rule.

Eminent legislators upheld his "right" to do so, even if they disagreed with his opinions. The *New York Herald Tribune* supported this view editorially, quoting President Conant of Harvard, who said that "a clear-headed, realistic discussion of all possible eventualities would seem best suited to guide the decisions of this country."

Without expressing an opinion as to whether Father Coughlin's discussions are clear-headed and realistic, I feel that the argument is rather beside the point. No one will deny that neutrality was and still is a controversial subject. The decision that such subjects should be discussed fairly, with equal facilities for all sides, is reasonable and eminently democratic. If such facilities are made dependent on the ability to purchase time on the air, the principle of equality is compromised. Father Coughlin, like anyone else, can discuss this subject on "free" time, subject only to the editorial discretion of the broadcasting companies themselves. No broadcasting company would deny a reasonable request from anyone who commands a public following or widespread public attention today. But of course it would immediately invite an advocate of the opposite view to state his case.

This is the spirit of democracy. The American radio must be concerned to safeguard it if the industry is to remain free and untrammeled. This, indeed, is the difference between the American system and the systems of most European countries. The very fact that the present controversy has arisen shows how deeply ingrained is our feeling for independence and freedom of thought. We mean to preserve this freedom all along the line, and to make new media of expression subservient to it. We do not want radio, now that it has become such a powerful medium of publicity, to be controlled or bureaucratically censored from "above." On the other hand, we do not wish to see it exploited by unseen forces beyond our control.

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ON THE CHINESE FINANCIAL FRONT

By Arthur N. Young

FOR many years following the disappearance of the old Manchu Empire in 1911 the growth of any real central authority in China was impeded by the country's lack of fiscal resources. The successive governments in Peking were unable to finance the essential services of the state properly, and were weak and ineffective. But the National Government which was set up at Nanking in 1927 succeeded to a remarkable degree in developing an adequate financial system. This fact — added to the vigor, leadership and wide appeal of the Nationalist movement — enabled that Government to make rapid progress in rehabilitating China. And in the future, as in the past, we may be sure that finance will play a major part in shaping the course of events in China.

I. A DECADE OF PROGRESS, 1927–37

The attainment of tariff autonomy in 1928–30 tripled China's revenue from customs. This, together with the rehabilitation of the salt revenue administration and the development of a system of internal taxation on such things as tobacco, cotton yarn, flour, liquors and mineral products, increased the total revenue from customs and these other sources from $369,000,000 in 1929 to $618,000,000 (Chinese currency) in 1931. The needs of the new Government, however, were too urgent to be met wholly by developing tax revenues, a matter of months and years. It was equally important that the market for public loans should be developed, in order to obtain funds needed for defense against subversive movements and for internal economic reconstruction. This was facilitated by the growth of the Government's revenues and by the rise of modern banks, notably at Shanghai, which was becoming one of the world's great financial centers. Although there were deficits every year from 1927 to 1937, it was possible to keep them within manageable limits. Even though the budget had not been balanced by 1937, when the present conflict broke out, substantial equilibrium was by then in sight.

A reform of the currency was an essential prerequisite to real progress. In 1929 the Kemmerer Commission stated that China had "unquestionably the worst currency to be found in any important country of the world." Nevertheless the medium of exchange was gradually becoming more uniform through the increasing use of the silver dollar and dollar bank notes. The abolition of the *tael* as a standard of value in 1933 established the dollar system throughout most of China. There remained, however, the highly difficult problem of the silver standard.

Unquestionably China's adoption of a managed currency in November 1935 was a major event in the recent history of the Orient. This reform created a foreign exchange standard by which the Chinese dollar was to be maintained at about 29½ cents (United States currency) and 14½ pence sterling, by means of exchange operations on the part of the Chinese Government banks. Silver was to be nationalized and a fiduciary currency substituted. And the Central Bank of China was to be converted into a Central Reserve Bank.[1] The

[1] A plan for the latter was agreed upon at the end of June 1937 after long discussion, but was not placed in effect because of the outbreak of hostilities a few days later.

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reform was facilitated by the helpful action of both the American and British Governments. The latter issued an Order in Council prohibiting British subjects in China from making payments in silver. The American Treasury bought a substantial amount of Chinese silver; and this and subsequent purchases have been an indispensable aid to China in carrying out the scheme and in maintaining the exchange value of her currency. Meanwhile a decimal system of nickel and copper coins was introduced, supplanting the old heterogeneous coins.

In this way China acquired essential elements of a modern currency system, linked at a favorable level with the systems of the Western countries and Japan. But this was not all. China increased her financial strength very materially in other ways. Most of the silver was removed from the coast cities, where it was vulnerable to seizure, and converted into gold and bank balances abroad, where they were available to make foreign purchases and to support the currency. The stabilization of exchange at a level adapted to the country's needs led to a favorable balance of payments, so that large amounts of foreign exchange were bought and added to currency reserves. Moreover, the transition from a metallic to a fiduciary currency was effected smoothly; and this made it possible to expand China's currency and credit if necessary in an emergency. The heavy outlays required by the hostilities could not have been financed on a hard money basis; and under conditions as they existed, a transition from the silver standard to a paper currency could scarcely have been made without a serious shock to confidence. All these developments provided effective resources and financial machinery without which China's stubborn resistance to Japan's attack would not have been possible.

Economic reconstruction required foreign capital; but large-scale foreign investment was impossible so long as a large part of the old debts of the Peking régimes remained in default. The National Government took this problem in hand, and by July 1937 had made settlements covering most of the amount in arrears. These settlements, in conjunction with the other financial policies of the National Government, caused a notable improvement in the quotations of Chinese loans: in mid-1937 several leading issues were quoted on the London market at par, or even above, and yielded less than five percent. China's credit was becoming such that a large influx of foreign capital was in prospect to finance the vast reconstruction work so sorely needed.

Interrelated with all these developments was the marked improvement which took place in China's internal political situation. By mid-1937 the National Government apparently had ended any serious challenge, from either local warlords or Communists, to its program of establishing a moderate régime on a nation-wide basis. The Japanese military caste, it seems clear, attacked China in the summer of 1937 precisely because China's strength was growing so rapidly.

II. CURRENCY AND EXCHANGE SINCE THE BEGINNING OF HOSTILITIES

When the armed conflict broke out in North China on July 7, 1937, the Central Bank of China was in a strong position. Ever since the reform of November 1935 the Chinese dollar had been stable, the Central Bank having enhanced confidence by meeting without difficulty a number of raids on the

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currency. An immediate effect of the July 7 affair was a flight of Chinese funds abroad, a movement which continued during the uncertainties of the next five weeks. The outbreak of fighting at Shanghai on the morning of Friday, August 13, 1937, precipitated a financial crisis, and a bank holiday till the following Monday was declared. Emergency measures had to be worked out amidst the turmoil of nearby fighting. To prevent a run on the Chinese banks and to check the flight of capital, the Government restricted the withdrawal of deposits. A limited quantity of blocked currency — *wei wah* — was created, comprising bank funds usable only for transfer and not convertible into cash. By this means a general moratorium on payments was avoided. Such special regulations, however, could not be applied to the foreign banks, because of the régime of extraterritoriality and because of the existence of foreign settlements and concessions. A gentlemen's agreement therefore was made with the foreign banks to the effect that they would sell exchange only for legitimate trade and personal requirements, and would not accept new accounts or any material increase in the old accounts of Chinese customers. With these measures in force, the markets were able to reopen in an orderly manner on Monday, August 16.

These steps checked the flight of capital and tightened the money market, and during the ensuing autumn exchange rates held steady. It was realized, however, that a renewed demand for exchange would soon appear, due to the lag in demand for import exchange. The technical position was this: the Shanghai fighting had largely stopped trade, but the exchange derived from exports already shipped had been sold in the market, whereas many of the imports had been financed on credit and the exchange had yet to be bought. As expected, this demand began to materialize about November 1. After running at a substantial figure for some weeks it steadily fell off, and by mid-February was drying up.

At this juncture the Japanese announced the creation of a puppet bank for North China — the so-called Federal Reserve Bank — to open in March and to issue notes for circulation in that area. As a countermeasure the Government decided to withdraw its direct support from the general exchange market, and instead to grant weekly allotments of foreign exchange to meet legitimate demand. At first, round sums were granted to the banks; but shortly thereafter allotments were made only after considering specific individual applications for legitimate import and personal requirements.

Because of lack of full jurisdiction over foreigners and in the foreign settlements and concessions, and in view of the extent of the areas affected by Japanese interference, the Chinese authorities were not in a position to apply general measures of financial control such as other countries have put in force. The system of exchange allotments was adopted as the best available substitute. By this means the open market rate of exchange was left free, and through adjustment of the amount of exchange allotted in the light of actual market conditions, the rate was allowed gradually to fall to about 60 percent of the level prevailing before the conflict without seriously impairing confidence in the currency.

As soon as it appeared that intervention in the market could be effective, operations were cautiously begun to stabilize the open market rate. Though

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these operations were successful, it was apparent that still greater resources were required. In the spring of 1939 it proved possible to arrange with the British Government on favorable terms for the creation of the Sino-British Stabilization Fund of £10,000,000. Chinese and British banks contributed to it in equal proportion.

From the outset the Fund had to face difficult conditions. In April 1939 the Japanese announced the creation of the Hua Hsing Commercial Bank at Shanghai as a bank of issue for their puppet régime in Central China. This announcement caused disturbances on the market which continued through May. Meanwhile an adverse balance of payments had been developing, and early in June the Fund temporarily withdrew support and allowed the rate of exchange to drop about 20 percent. Before confidence could be restored, the Japanese announced the blockade of the Tientsin concessions; they also declared their intention of preventing the circulation of Chinese currency in those concessions and of taking over the North China silver reserves. Such nervousness developed that the Fund was confronted not only with exchange difficulties but with a run on the banks. During the latter part of June the strain became so great that fresh restrictions on withdrawals from Chinese banks had to be imposed. The restrictions temporarily tightened the market, but by the latter half of July the pressure had again increased to such an extent that the authorities had to permit the exchange rate to fall still lower.

This time stability was longer in returning. By the middle of August, however, the market had become quieter and steadier, and the prospect materially improved. The outbreak of the European war started a repatriation of Chinese funds from Europe. This movement, plus the fact that exchange rates had swung so low as to be considerably out of line with China's internal conditions, caused a rise in the Chinese dollar during the fall of 1939. In mid-November it stood in Shanghai at about 9 cents (U. S.) and about 5¼ pence sterling.

In North China the Japanese have forbidden the use of Chinese currency in the areas they control, chiefly the leading cities and the railway zones. In those regions the "Federal Reserve notes" of the puppet bank circulate: their actual market value is sometimes below and sometimes above that of the Chinese currency. In the Tientsin concessions the Chinese currency circulates, and also in the extensive areas of North China where the Japanese occupation does not extend and where the puppet notes are forbidden. In the "occupied" areas of Central and South China, the circulation consists of Chinese currency but includes some yen and military notes forced out by Japanese troops. About three million notes (with a nominal value of 6 pence) of the puppet "Hua Hsing Commercial Bank" circulate, chiefly in the Hong-Kew district of Shanghai.

Free exchange rates are much more sensitive to disturbing influences than general prices, and the level of internal prices in China has not risen in anything like the proportion in which exchange has fallen. Prices in particular cities are not typical of the entire country since they are affected by local influences — in coastal cities by Japanese interference with normal trade and the large use of imported goods, and in some of the larger interior cities by the Government's abnormal demand for supplies and labor. Throughout a wide area prices of many important articles of consumption have risen little or not

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at all. Though no accurate estimate is possible, a good guess is that throughout China the average of prices has gone up by around 60 or 70 percent. Fortunately for China, several years of excellent crops (except recently in North China) have mitigated the hardships resulting from the Japanese invasion.

China's maintenance, despite Japanese interference, of a free exchange market in which legitimate business can be conducted has benefited both her own and foreign interests. The substitution of a Japanese-controlled monetary system in the "occupied" areas would mean setting up a closed economy in which foreign trade could be carried on only on Japanese sufferance.

III. PUBLIC FINANCES

China's public finances have suffered severely from the seizure and destruction of her sources of revenue by the invading forces. The Japanese occupation of one port after another has deprived the Government of the greater part of its customs revenue. Important salt-producing areas have been invaded, thus interfering with its salt revenue. Income from other internal taxes has fallen off, since they were collected largely along the seaboard.

The Chinese Government has been unable to replace these losses by new taxation, not only because Japan has occupied so many important cities, but also because China has not yet developed a relatively productive system of direct taxation. Elasticity of tax yield is hard to obtain even under the most favorable conditions, and especially when indirect taxes form the main source of revenue. China only recently began to introduce income, inheritance and profit taxes; though these have been extended during the hostilities, their yield could meet only a small part of China's present great needs.

The Chinese Government has thus had to borrow large sums, beginning with the Liberty Loan of $500,000,000 (Chinese), issued in the early weeks of the conflict. The total amount of the loans authorized up to November 1939 was about $2,800,000,000 (Chinese). The numerous Chinese living overseas — in the United States, the Philippines, the Straits Settlements and elsewhere — have generously subscribed to these bond issues, and have also made substantial patriotic donations.

The borrowing program has been smoothly carried out with the coöperation of the banks. Fiscal theory recommends that extraordinary wartime needs be financed largely out of revenue; nevertheless, experience has shown that where this is not possible the emergency can be met for a considerable period by relying largely upon borrowing. China's borrowing, however, has considerably increased her bank-note circulation and deposit credit. The note issue of the four Government banks, plus that of the Canton area (which was taken under the wing of the Government shortly before hostilities began), grew from $1,643,000,000 to $2,866,000,000 (Chinese) from the end of June 1937 to the end of June 1939, according to the latest published figures. A part of this increase represents the substitution of notes for silver coins and the purchase of gold within China.

IV. DEBTS

In a world where disregard for international obligations is becoming ever more widespread, China's foreign debt record in recent years has been excep-

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tionally good. The National Government, soon after it came into existence, undertook to settle the debts in arrears inherited from the old Peking régimes. After unsuccessfully trying to arrange a general settlement with all its creditors, it embarked on a program of negotiating with them individually. Despite many difficulties, arrangements were effected for the resumption of payments on most of the bond issues in arrears at terms which reflected both China's desire to pay in accordance with her capacity and the reasonableness of the creditors. By mid-1937 the Government had negotiated settlements of debts totalling about $850,000,000 (Chinese), or around $250,000,000 (U. S.). About two thirds of the total value of claims arising from loans were thus settled, including nearly all of the publicly issued bonds. Had peace and economic improvement been allowed to continue, an understanding about remaining unsettled items would doubtless have been reached in due time.

After July 1937 the course of events gradually affected the debt situation. By 1937 the Chinese Government was paying the Japanese portion of the Boxer Indemnity into a special account (in pounds sterling) in a neutral bank, to be held for future disposition. During the fall of that year efforts were made to devise some scheme whereby customs revenue might continue to be applied to debt service despite Japan's seizure of the ports. No such scheme had been agreed upon, however, when in October the Japanese forced the Commissioner of Customs at Tientsin to deposit collections in the Yokohama Specie Bank under conditions which made it impossible to use them for debt service, unless perhaps on terms which the Chinese could not accept. When Shanghai was captured in November 1937, collections there were similarly tied up; and the process was repeated as other ports fell into Japanese hands.

The object of the British Government in negotiating a customs agreement with Japan in the spring of 1938 was to maintain, so far as possible, the historic Chinese customs service and to provide a basis for continued service of China's debts despite hostilities. The best terms to which the Japanese would agree included the deposit of collections in Japanese banks, and payment to Japan of past and future installments of her share of the Boxer Indemnity. They also insisted that the proportionate monthly contributions, which according to the agreement were to be made by the occupied ports for China's debt service, should cover only foreign, not domestic, loans (only those were involved that were outstanding before hostilities). Further, the entire burden of providing foreign currency for the debt service would have rested upon the Chinese Government, despite Japan's interference with its currency.

Affirmative action by the Chinese Government was necessary before this agreement could become operative. The Government, however, was not prepared to implement the agreement on these terms; and despite prolonged efforts to find a formula, it was not put into effect. Nevertheless, the Government duly continued service of the debt in spite of the fact that the Japanese were detaining considerably more than half of the pledged customs revenue. The shortage of collections was made good by advances to the Inspector-General of Customs from the Central Bank of China, advances which by January 1939 totalled $175,000,000 (Chinese). In addition, the Chinese Government provided all the foreign exchange required for debt service.

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Clearly this situation could not go on indefinitely. In January 1939 the Chinese Government very reluctantly announced that it could no longer continue to advance funds for service of interest on issues; and in March 1939 this policy was extended to salt-secured issues. Nevertheless, since then the Government has been setting aside in the Central Bank of China — in Chinese currency — a share of the long-time debt service.

To have kept up the service of her external bond issues for over eighteen months after the larger part of the pledged revenues had been seized, and in spite of the tremendous strain which the war placed on the country's most important productive areas, has been for China a worthy accomplishment, one which its creditors abroad will not soon forget. This is a bright spot in the recent record of debtor countries.

V. THE FUTURE

The Japanese invasion came at a time when China was completing a decade of rapid internal progress. On the record, the Japanese cannot rightly pretend that they invaded China in order to improve conditions. Their slogan — the "New Order in East Asia" — is only a phrase to cloak their twofold object of dominating China in their own interest and of expelling Western influence from the economic and cultural life of that country.

A leading Chinese strategist once remarked that China yielded space in order to gain time. In many respects time is on China's side. Nevertheless, nearly two and a half years of bitter hostilities have been weakening to China as well as Japan. Tens of millions of people have been driven from their homes. Throughout huge areas internal production and trade and external commerce are throttled by Japanese interference, while large parts of North China are threatened with famine owing to recent floods. China's financial structure is naturally showing the effects of this strain. Impaired revenue and heavy emergency expenditures leave the budget unbalanced. The foreign exchange value of the currency has fallen to around a third of its pre-hostilities level, although fortunately in the country as a whole the level of internal prices has not risen alarmingly. Losses from destruction of property and from economic disruption have been widespread. Yet despite everything, China carries on amazingly with her economic life, due to her decentralized and predominantly agricultural organization and the resourcefulness and tenacity of her people.

In the past, material assistance from friendly countries has been of great value to China in maintaining her economic and financial structure. The credit of $25,000,000 which the American Export-Import Bank granted in December 1938 to a Chinese trading corporation has made possible the purchase of much-needed commodities in the United States. The British credit of £5,000,000 of March 1939 has aided in maintaining the value of the Chinese currency. Russia also has granted important credits, in considerably larger amounts, for the purchase of Russian supplies.

Japan is now eager to end the "China incident," but there is no indication of an early end to the fight. Assuredly it is in the interest of China's Western friends that there be no avoidable weakening of China's financial front.

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THE WAR IN THE AIR

First Phase

By J. M. Spaight

THUS far the war has been, in the air, a strange one. It has been strange in several ways. People had expected the *Blitzkrieg* to break in full fury in the west, but as yet no thunderbolt has fallen there. Poland felt its impact and crumpled under the stroke, though conditions there seemed, *prima facie,* unfavorable for the successful conduct of a lightning war. The course of the conflict has not, in fact, followed the book. There have been a number of surprises. In the operations at sea, for example, it was confidently expected that aircraft, not the submarine, would be the chief danger to maritime commerce. The airplane, we were told, would harry and dragoon belligerent and neutral shipping in the narrow waters into which the busy lanes of ocean traffic converge. Actually, the air arm has not been particularly effective at sea, though British aircraft have taken a hand with some success in hunting the submarine. That, however, had been foreseen.

Certainly the achievements of the German air force in Poland fulfilled the expectations of the most sanguine adherents of the blue sky school. In conjunction with the mechanized ground forces it dominated the situation from the first. The lists were set for a tourney between the old order of warfare and the new. Germany's strength lay in her possession of the most modern instruments of mechanical destruction. Poland was, in comparison, a nineteenth century Power. Her cavalry was her pride. One could imagine her gallant horsemen galloping with Jeb Stuart or Sheridan in Virginia. Indeed, her great masses of cavalry might have thundered their way to victory in the still more appropriate setting of the mediæval era. As it was, they were a sheer anachronism. Confronted by armored cars and tanks, hammered by high explosive from the air, they were only flesh for the slaughter. The twentieth century won all along the line. The Polish defeat was a tragedy, but an inevitable one.

In the east, the war in the air was practically decided on the first day. On the morning of September 1, the German bombers made a vigorous attack on all the air bases in western Poland, as well as on strategic railways and junctions. The Polish aircraft, caught in their hangars, were destroyed or seriously damaged. That first sudden blow, delivered treacherously and without a declaration of war, while the Polish Government thought that negotiations were still possible, crippled the Polish air arm for the rest of the war. A gallant fight was still made by the remnant but the odds against it were too great. In any case the Polish equipment was inferior to the German. Germany had the unquestioned mastery of the air.

At first the methods by which she won it were, apart from the fact that the aggression itself was utterly unjustified, fair enough in themselves. Herr Hitler had announced to the Reichstag on September 1 that he would not war against women and children. He was speaking, it will be noted, less than four weeks before the time when women and children were to be slaughtered and mutilated in Warsaw. "I have ordered my air force," he said, "to restrict itself

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to attacks on military objectives." Replying to President Roosevelt's appeal that civilian populations be spared the horrors of air bombardment, he defined his attitude to this question in terms which, coming from another, would have presaged the waging of a humane and chivalrous war: ". . . that it is a humanitarian principle to refrain from the bombing of non-military objectives under all circumstances in connection with military operations, corresponds completely with my own point of view and has been advocated by me before. I, therefore, unconditionally endorse the proposal that the governments taking part in the hostilities now in progress make public a declaration in this sense. For my own part, I already gave notice in my Reichstag speech of today that the German air force had received the order to restrict its operations to military objectives."

That the German air force did confine itself more or less to military objectives in the opening phase of the war is supported by a certain amount of independent evidence. Mr. H. C. Greene, the correspondent of the London *Daily Telegraph*, reported in that journal from Cernaŭţi on September 10 that military objectives such as bridges, roads, railways and aërodromes had been aimed at almost exclusively, though terrible losses had fallen on the civil population as a result of the attacks. On September 6, Mr. Butler, the Parliamentary Under-Secretary of State for Foreign Affairs, stated in reply to a question in the House of Commons that the information in the British Government's possession showed that the German bombing attacks had in general been directed against objectives serving a military purpose and not indiscriminately against the civil population; but he also was careful to add that the latter had at the same time suffered heavy casualties. Soon, however, evidence began to accumulate that other than military objectives were being attacked and that, in fact, methods of terrorization were being adopted by the German *Luftwaffe*.

It is true that one must always accept with caution reports from belligerent sources concerning excesses or outrages committed by the enemy. There is inevitably an element of propaganda in such reports. Further, newspaper correspondents on the spot are apt to be impressed by what is told them and are not in a position usually to know or state the other side of the case. Some of the Polish announcements were certainly examples of exaggeration, excusable, no doubt, but still unreliable. For instance, a *communiqué* of September 2 stated that individual farms and farmers had been bombed — a somewhat improbable occurrence. On the other hand, it is even more improbable that the reports from many quarters about the ruthlessness of the German air force were entirely devoid of foundation. We have, in fact, unbiased evidence sufficient to convict without any need for dependence on *ex parte* testimony.

Unquestionably, there were numerous instances of bombing objectives which by no possibility could be termed military. Among them was that of the village of Tomaszow, which was the victim of "a particularly vicious bombing" according to a message to the *Times* of September 11 from its special correspondent on the Polish frontier. Other instances were attested by Dr. Oskar Zsolnay, a Hungarian official trade delegate who had been in Lwów and who described in a Budapest paper a large number of bombing raids on that city, nearly all of them directed against non-military objectives. Some of the most important evidence was supplied by the American Ambassador to

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Poland, Mr. Biddle, who on September 8 furnished the State Department with particulars of cases in which non-military targets had been attacked: they included his own villa, more than ten miles outside Warsaw, a sanatorium, a refugee train, a hospital train and a hut for Girl Guides. "It is also evident," he added, "that the German bombers are releasing the bombs they carry even when they are in doubt as to the identity of their objectives." Again, on September 13, Mr. Biddle reported that the village to which he had then moved and which was, he said, "a defenseless open village" had been attacked by German bombers. On September 20 the Parliamentary Secretary to the Minister of Information said in the House that reports from the British Ambassador to Poland supported the evidence of Mr. Biddle on the bombing of open towns.

One may perhaps feel some hesitation in accepting without reservation the statement in the Polish *communiqué* of September 15 that the bombardment of open towns by German aircraft had "assumed the character of a systematic destruction of all built-up areas or cities without any connection with military operations," but there can be no reasonable doubt about the fact that a great number of non-military objectives were bombed. Beyond question many villages were deliberately attacked and a number of them destroyed. In Warsaw itself the Belvedere and Lazienki Palaces, the Seym (Parliament) building, the Soviet and Rumanian Embassies, the Latvian Legation, a number of churches and some hospitals had been wholly or partly demolished from the air even before the intensive bombardment from air and ground began on September 25. The final state of the city was still more tragic. The correspondent of a Danish newspaper who visited it after the surrender reported that scarcely a house was undamaged and in several districts, especially the suburb of Praga, not one house was left standing. The devastation was due in part to artillery fire, but the bombs of the aircraft contributed very materially. Inevitably the losses suffered by the civil population were heavy in the extreme. It is perfectly clear that if the Germans did in fact attempt to bomb only military objectives, they failed in that attempt most lamentably. The more likely explanation is that no such attempt was made. The city was bombed indiscriminately, subjected, in fact, to a display of Nazi *Schrecklichkeit*. The destruction was intended as an object lesson. "I should like the gentlemen of London to see what a city looks like when it has been through what Warsaw suffered," said the German wireless announcer on October 4. "These gentlemen ought to see what might happen in their own country if they persist in their mad warmongering."

The fiction that only military objectives were bombed was kept up in the German reports. A *communiqué* issued by the High Command on September 25 stated: "Important military objectives in Warsaw were successfully attacked in power-dives by German aircraft." It is a sufficient commentary upon this to record that when Warsaw asked for an armistice on September 27, 16,000 soldiers and 20,000 civilians lay wounded in the hospitals. There is little doubt, indeed, that Warsaw was subjected to a bombardment, from ground and air, of which the purpose was psychological, or more bluntly, to terrorize. That particular type of bombardment is nothing new in the practice of German arms. It was tried on many occasions in the Franco-German War of 1870–71. At Strasbourg, for instance, the civilian quarters of the city were shelled by siege

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batteries in order to "induce the inhabitants to compel the governor to surrender the fortress." The effect was simply to stiffen the determination of the garrison and the inhabitants to resist.

Exactly the same tactics were employed at Warsaw nearly seventy years later, and the same effect was produced; the morale of the city was unbroken, for it was lack of ammunition and supplies, not loss of courage, which finally made surrender inevitable. Methods of frightfulness defeat their aims when used against a determined people. Herr Hitler announced in his speech on September 19 that the British blockade might force him to make use of a "weapon by which we [Germany] cannot be attacked." The fresh resort to *Schrecklichkeit* here foreshadowed, whether it referred to the poison gas or to bacteriological warfare or merely to massed attack from the air on cities, will not effect its object. On that point there can be no doubt whatever.

The major rôle which the German air force played in the conquest of Poland is no proof that it will achieve similar successes in the west. Poland was, in comparison with Germany, very weak in the air. That her air force, after the initial losses which it sustained on September 1, was able to resist as well as it did testifies to the gallantry of its personnel. It is the more regrettable that its achievements were magnified by some absurd propaganda. The statement in a *communiqué* of September 3 that 64 German machines were brought down on that day for the loss of 11 Polish machines was entirely unbelievable. The announcement a little later that Berlin had been bombed was no less unconvincing. There is no escape from the conclusion, on the known facts, that Poland was wholly outclassed in the air.

The position is and will continue to be a very different one in the west. Here the German air arm is faced with a far harder task. Neither in numbers nor in quality will it be able to claim superiority over the Franco-British air strength. Indeed, Air Chief Marshal Sir Cyril Newall stated in an interview in Paris on October 7 that the British and French air forces were already well on the road to establishing their supremacy in the air. Some 2,000 to 3,000 German aircraft are said to have been employed against Poland. The total first line strength at Germany's disposal in the west may be 4,000 machines or more. The Allies' effectives are probably as great. In quality of *matériel* there is probably not much to choose between the opposing combatants, but what little advantage there is should be on the Allies' side. The German Heinkel, Junkers, Dornier and Henschel bombers are undoubtedly formidable aircraft but they are no better than the Wellingtons, Blenheims, Amiots, and Loiré et Oliviers on the other side. No German bomber, so far as is known, carries a bomb-load so large as that of the latest French heavy bomber, the Farman 223. The French Morane 406 C and Bloch 151, the British Spitfire and Hawker Hurricane are at least a match, in the fighter class, for the Messerschmitt 109 or 110 and the Heinkel 112. Sir Kingsley Wood, Secretary of State for Air, declared in the House of Commons on October 10 that the latest British fighters were "definitely better than their German counterparts."

The newest French fighters are also fine machines. The French air force is fortunate in that practically all its equipment is of the latest design and production. At the time of the Munich settlement the French equipment was notoriously unsatisfactory; production had fallen to around 50 machines a

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month and the flying squadrons were equipped with types which were obsolescent if not obsolete. Now, France has a splendid, modern air force. Her factories are pouring out machines in an increasing flow and the supplies received from America help to swell the volume. The American fighter, the Curtiss P. 36, has already acquitted itself well in action.

It is already evident from the encounters which have taken place that the fighter is the master both of the bomber and of reconnaissance aircraft. That is no surprise to those who followed the air operations in Spain, where — to quote General Duval — "the *chasse* machine considers the bombing machine incapable of defending itself." [1] "It is now definitely admitted," says Captain Didier Poulain, referring to the air fighting in Spain, "that the bomber is practically without defense against the fighter." [2] In Spain the bombers could avoid heavy casualties only by protecting themselves with screens of fighters, says F. A. Fischer von Poturzyn.[3] "Whether in individual combat or in formation," says M. C. Rougeron, "the bomber in its present form is no match for the fighter." [4] The evidence so far obtainable in the present war confirms that afforded by Spain. When a British bombing formation made an attack on enemy warships in the Helgoland Bight on September 29, five out of the six bombers were shot down according to the German official report, which was not denied on the British side. In the epic encounter of five British bomber-reconnaissance aircraft with fifteen Messerschmitts over the western front on September 30, three of the former were shot down and a fourth made a forced landing. The fifth managed to reach its own lines after shooting down two German fighters; it had 80 bullet holes in its structure, its ailerons and rudder were damaged, both its petrol tanks were burst, its retractable undercarriage was jammed. The British fighters have been even more successful in their encounters with the German bombers. They shot down 4 out of the 12 or 14 which raided the Firth of Forth on October 16; and on the next day two bombers which approached the English east coast were both engaged and shot down. Out of 12 German bombers which attacked a convoy in the North Sea on October 21, 4 were shot down by British fighters, and 3 more, it was subsequently ascertained, failed to reach Germany. Two more bombers were brought down on October 22 and 28.

The operations in Poland confirmed another lesson of the Spanish civil war — the importance of the air arm as a tactical weapon when used in conjunction with ground forces. In Spain the technique of air support in the assault was successfully developed by the Nationalists. An American officer has described this method from personal observation. Bombing aircraft with small bombs and machine guns would fly in single file — *la cadena*, it was called — over the trenches and rake them while the tanks and infantry deployed into assault formation and moved up to the attack.[5] According to a British officer, General Beauman, the principal tactical lesson of the Spanish civil war — one which will be taken to heart by the great continental armies — is that aircraft must

[1] "Les Leçons de la Guerre d'Espagne." Paris: Plon, 1938, p. 154.
[2] *Journal of the Royal United Services Institution*, August 1938, p. 582.
[3] "Luftmacht." Heidelberg: Vowinckel, 1938, p. 85.
[4] "L'Aviation de Bombardement," I. 36.
[5] "The Aëroplane's Rôle in Battle in Spain," by Brig. Gen. H. J. Reilly, in *The Aëroplane*, April 29, 1939.

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be used if an attack is to make headway against modern defensive weapons.[6] In Poland the same method was adopted in a bigger theatre of war. First, aircraft bombed and machine-gunned the enemy's positions, then the armored cars and tanks drove home the initial attack, to be followed in turn by the columns of infantry, whose task was immensely lightened by the preliminary work of the aërial and mechanized spearheads. When the major operations begin on the western front, the use of aircraft to open the way for the ground assault is likely to be a prominent feature of the tactical program.

Another lesson learnt in Spain was the increased effectiveness of the modern anti-aircraft gun as compared with its predecessor of twenty years ago; and here again experience in Poland and on the present western front seems to support the teaching of Spain. The German 88-mm. gun proved itself extraordinarily effective in Spain. Before it arrived, the losses of the Republican bombers from gunfire were almost *nil*. After its arrival they became severe. "By their anti-aircraft artillery," writes M. Rougeron, "the Nationalists succeeded in protecting their rear areas," the Republican aircraft venturing within range of it only at their peril.[7] The British 3.7-inch gun is the counterpart of the German 88-mm. gun and is at least as formidable a weapon; the 4.5-inch gun has a still greater range and muzzle velocity, but is fixed whereas the 3.7-inch gun is mobile. Britain, declared Sir Samuel Hoare, the Home Secretary, at Swansea on January 26, 1939, has the most modern and effective types of anti-aircraft guns in the world. Their effectiveness is due largely to the fact they are used in conjunction with the predictor, an instrument which enables its crew, using a telescopic eyepiece, to set it so that it can calculate with great precision the point at which the shell and the flying target will collide in space if level flight is maintained by the latter. The information so calculated is transmitted electrically to a dial on the gun, whose crew can then train their weapon at the indicated spot. Another instrument, the height-finder, is used with the predictor. Altogether, anti-aircraft artillery is today something which cannot be mocked by the pilot as was the "Archie" of the last great war.

Naval anti-aircraft gunnery has been improved to at least a corresponding degree. When introducing the Navy Estimates in the House of Commons on March 16, 1939, Mr. Shakespeare, the Parliamentary Secretary to the Admiralty, told his audience that if he had the choice between being in a battleship which was being bombed and in the aircraft which was bombing it, he would choose the former every time. His words were borne out on September 26 by the result of an attack by about twenty German aircraft on a squadron of British capital ships, with an aircraft carrier and destroyers, in the North Sea. Not a single hit was scored by the aircraft, not a single casualty caused on the warships; the attack was beaten off without difficulty and two of the aircraft were shot down. The Germans claimed that an aircraft carrier — subsequently stated to be the *Ark Royal* — was destroyed, that a battleship was badly damaged, and that no loss was sustained by the German aircraft, which returned safely to their base. There was no truth in any of these statements. Again on October 9 German aircraft made both level and dive bombing at-

[6] Brig. Gen. A. B. Beauman: "A Short Outline of Modern Tactics." London: Rees, 1939, p. 46.
[7] "Les Enseignements Aériens de la Guerre d'Espagne," 1939, p. 105.

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tacks on British warships in the North Sea, but scored no hits and inflicted no casualties. Two of the bombers, one with a wounded man on board, made forced landings on the same day in Denmark, and a third in Norwegian waters. The presumption is that all three had been damaged by the warships' fire. The effectiveness of the German anti-aircraft guns had already been demonstrated during the raid of September 4 by British bombers against the German fleet at Wilhelmshaven and Brunsbüttel; it was claimed by the German and not denied in the British official report that five of the twelve attacking bombers were brought down by the anti-aircraft batteries. On this occasion, however, the raiders had something to show for their losses, for they scored a direct hit with a heavy bomb upon a German battleship.

The greatly increased strength of the active defense, in the air and on the ground, has doubtless been one reason why there has been a certain shyness about beginning the long-range raiding attacks which had been expected. Against well-defended areas such raids must be, by day, very perilous adventures. The raiders are certain to be forced to pay heavily for any successes they may achieve. They have to run the gauntlet of the outer gun zone, the zone of the interceptor aircraft, and then the inner gun zone, before they can reach their objective, and they have to clear the same hurdles on their homeward run. By night the chances of the bombers' coming through are better; but even then they will probably find their task no light one. Blinded by the searchlights, they will be a fairly easy mark for the interceptors, and in clear weather the anti-aircraft guns should be able also to claim some victims. When they do get through they will then have to find their objectives — and this will often be difficult. The "blackout" is now so effective that there is little apparent difference, from the air, between the built-up areas and the open countryside. Night-flying raiders groping for a particular factory or military establishment will probably have to plaster the whole area with bombs in which the objective is supposed to be. That is a costly method of trying to hit a target, costly in petrol as well as in high explosive. Most of the bombs would probably fall on empty ground. Even if London as a whole were the objective, the odds are, as Major General Foulkes has pointed out, that only one bomb in ten, on the average, would hit a building, for 90 percent of the whole area is open space. "In the area within fifteen miles of Charing Cross, containing a population of eight and a half millions, the odds against a bomb falling within fifty feet of any particular spot is two and a half millions to one."[8]

The indiscriminate bombing which such a method of trying to hit a given objective would involve is hardly a practice which either side will be eager to initiate. Not only would the effect upon neutral opinion be unfavorable to the belligerent who began it, but the result would inevitably be to stiffen the determination of the nation which figured as the first victim of such an attack. Moreover, the belligerents in the west are too evenly matched in the air to make it safe for the one to expect the other not to make a strong counteroffensive. Even if the initial stroke were confined strictly to military objectives, the reply to it might not be similarly restricted. Perhaps — one cannot tell — it was for this reason that the French and British air forces refrained from trying to smash up the German troop concentrations and the trains carrying men

[8] "Commonsense and A.R.P." London: Pearson, 1939, p. 32.

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and *matériel* from Poland to the west. The very fact that bombing raids into the interior of the enemy country had been begun might be the signal for resort to *la guerre totale* in the air, with all its horrors. That may come yet, but one harbors a faint hope that behind the reluctance to begin long-distance raiding attacks there may be, as a conscious or subconscious influence, the idea that bombing should be confined to the zones of active operations and their immediate vicinity. Some vague suggestions for an agreement to limit bombing in this way were indeed put forward by Herr Hitler in 1935 and 1936. In any case, it is evident — whatever be the reason — that neither side has desired to be the first to bomb objectives far behind the other's lines.

Long-range raids there have been, but their purpose has been primarily reconnaissance and secondarily the distribution of literature, not of high explosive. Some surprise has been expressed that the first task of the British Air Force should have been to disseminate propaganda in this way; but, in fact, it is not in the least a novel task either for the British or other air services. Raids for such a purpose were frequent in the last great war. The Germans, for instance, dropped leaflets among the Indian troops in France in November 1914, urging them to revolt; the flaw in the plan was that the language used was Hindi, whereas the particular troops to whom the appeal was made spoke Urdu. Attempts to seduce the Senegalese troops in Gallipoli were similarly made by the Germano-Turkish air force in October 1915. French airmen, on their side, dropped leaflets on many occasions, notably in May 1915, to inform the German people of Italy's participation in the war on the Franco-British side. British aircraft dropped an enormous number of notes during 1917 and 1918. America's entry into the war was made known in this way, as was also President Wilson's message to Congress early in 1918. So great was the effect of this propaganda that Field Marshal Hindenburg thought it necessary to issue a proclamation in September 1918, urging the people to pay no attention to "leaflets intended to kill the soul."

The recent flights made into Germany by the Royal Air Force for reconnaissance and the distribution of leaflets (dropped in the form of "bricks" which broke up in the air) were carried out at a great height and encountered very little opposition. That these raids are, from the German point of view, anything but a joke, is evident from the severe penalties threatened against any inhabitants found reading the leaflets. How great will be the effect of such propaganda it is impossible as yet to say. It may well be that in retrospect it will be seen as no less important than if an equivalent weight of bombs had been dropped. The British flights had another effect, too. They demonstrated beyond possibility of doubt that all northern, western and even central Germany lay within the range of British aircraft. They showed the true value of Field Marshal Göring's assurance that if an enemy machine crossed the German frontier it would be at once brought down.

The demonstration of Britain's ability to carry the war into Germany contributed, no doubt, to the latter's hesitation to launch air attacks upon Britain in the early days of the war. Whatever the cause, the thunderclap for which all ears were straining was not heard. The result was something of an anticlimax. The whole country had braced itself for the worst. Measures of passive defense had been organized on a colossal scale. Millions of children,

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invalids and expectant mothers had been evacuated from the danger areas on or before the outbreak of war. Hundreds of thousands of hospital beds had been earmarked for air raid casualties. Doctors, nurses, air raid wardens, auxiliary firemen, decontamination squads, dispatch riders were all standing by and waiting for their services to be needed. And then, lo and behold — nothing happened. People began to ask: Will nothing happen at all? That question has not been answered yet. But it may be answered at any time. Devastating air attacks may have been launched on London and other cities before these words appear in print. They may be simultaneous with a great thrust on the western front, the object being to pin down in England fighter squadrons which would otherwise be available for reënforcing the units in France. If the Maginot Line is to be smothered by high explosive bombs, preparing the way for an onset by giant tanks, all the fighter aircraft which can possibly be assembled by the Allies will be needed to beat off the German bombers and their escorting fighters.

Whether the raiders come to London and Paris or not, whether they cause destruction on a widespread scale or not, *they* cannot decide the issue of the war. That will be decided by sea power. Admiral Mahan's doctrine that the belligerent who holds command of the sea can never be beaten in the end will again be proved true. Air power cannot prevail against sea power, regardless of the methods of *Schrecklichkeit* it uses. And the result must be the same whether it comes soon or late. Germany will be beaten; the only question is how long it will take. The collapse of Germany may come sooner than any man could now surely predict; it may come within the three years for which the British Government is laying its plans; or perhaps we may have to wait until grass has long been growing in the streets of Hamburg.

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ECONOMIC WARFARE WITH JAPAN OR A NEW TREATY?

SUDDENLY and dramatically, the United States on July 26, 1939, gave formal notice for termination of the 1911 Treaty of Commerce and Navigation with Japan. As under the terms of the treaty six months must elapse before this action can take effect, it will terminate on January 25, 1940.

The treaty not only provided most-favored-nation treatment between the signatories but it established the legal basis for the commerce, navigation, property rights, residence, travel, protection of laws and access to courts of the nationals of each party in the territories of the other. The circumstances surrounding the American Government's unexpected action in denouncing the whole of such a sweeping instrument gave clear evidence that it was actuated primarily by political, rather than economic, considerations. Thus it constituted an almost unprecedented action in the field of American policy and was particularly significant in view of Secretary Hull's consistent effort to foster international commerce.

While this action came as a surprise to the general public, both the Administration and Congress had been considering the matter for some time. Only on July 18 Senator Vandenberg had introduced a resolution in the Senate calling for the abrogation of the treaty in order that the United States might "be free to deal with Japan in the formulation of a new treaty and in the protection of American interests as new necessities may require." The Vandenberg resolution was referred to the Foreign Relations Committee, where a resolution by Senator Pittman to forbid the shipment of war supplies to Japan was already under consideration. The action advocated by Senator Pittman would constitute a violation of the Treaty of Commerce, and the Vandenberg resolution was designed to remove the danger of treaty breaking. This seemed particularly appropriate since one of the reasons for American action was Japan's violation of the Nine Power Treaty, to which the United States is a party.

On July 26, the Senate Foreign Relations Committee postponed a decision on the Vandenberg resolution. President Roosevelt acted at once, as he had the authority to do. It seemed to be his opinion that further delay might be taken by Japan as a sign of timidity or of divided counsels between the legislature and the Administration.

The effect abroad of the announcement that the treaty would be terminated was profound. Japan appeared to be deeply shocked, China was jubilant, Great Britain and France heartened, Germany and Italy disturbed, and Russia pleased. In the United States the action received almost universal approval. The Administration naturally based its action on the desire to protect American interests in China and to take some positive step which might persuade the Japanese that depredations against American citizens and American property must cease. The public saw in it a desire to do these things and also indirectly to assist China and to hamper Japanese aggression.

The termination of the treaty seems to indicate that the Administration may favor the Pittman embargo resolution when it comes up in January unless

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Japan meanwhile mends her ways. It means that efforts short of force to protect American rights are being made, and that if Japan persists in continuing to flout them, retaliatory action may be expected.

But though Japan was shocked by the action of the American Government, the months which since have passed have brought no evidence that she has altered her program of establishing a "New Order in East Asia" in any important respect. She has redoubled her efforts to try to make the United States "understand" her position, but she has not changed her objectives. If she attains those objectives many observers feel that American interests in China will be destroyed.

The Administration has officially predicated its course solely on a desire to protect these American interests. But in Congress and on the part of the public there has been growing pressure for us to favor China in the Sino-Japanese war. It has manifested itself through the activity of groups which aim to disassociate the United States from Japan's aggression by boycotting Japanese products or by urging an embargo on shipments to her of American supplies, particularly war materials. Others seek to go further by giving outright help to China. The Administration has taken a step in that direction through the loan of $25,000,000 by the Export-Import Bank for Chinese purchases in the United States. A recent survey conducted by the American Institute of Public Opinion showed that 82 percent of those voting favored imposing an embargo on the sale of war materials to Japan on the expiration of the commercial treaty on January 25.

If the abrogation of the treaty was intended as a threat to Japan, it has not, at this date of writing, proved to be effective. If it was intended as a first step in bringing pressure to halt Japanese depredations in China, then further steps are to be anticipated. Once the treaty expires, these steps can be taken without offending against any international engagement which the United States has made. But whether, if taken, they will restrain Japan, remains to be seen. Measures "short of force" in a world at war look rather puny. Once the gage has been taken up and the issue joined then force to the utmost must be supplied. There is no easy way to gain one's ends against nations engaged in what they regard to be a life-and-death struggle.

Meanwhile it is well to remember that very great changes have occurred in the world since the American action of July 26. War has been declared in Europe. Japan's need for American goods has certainly been increased. According to the *Journal of Commerce*, the value of her imports from Europe in 1938 totalled 376 million yen. Almost half of these came from Germany, while 17 percent came from Britain. Much of these imports will be cut off. Thus one would naturally expect an expansion of our trade with Japan in the months to come if economic considerations alone prevailed.

If Japan really intends to satisfy American demands she obviously would find advantage in proving it as promptly as possible. When Congress meets in January, the Pittman resolution is sure to receive attention. If it is passed by Congress and an embargo is placed on our exports to Japan, she will find herself in a desperate situation. It will be for Congress to decide whether it is to this country's interest to apply this pressure, presuming that Japan does not in the meantime satisfy our desire for security for our citizens in China and an equal opportunity for our commerce in East Asia. *W.H.M.*

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RECENT BOOKS ON INTERNATIONAL RELATIONS

By Robert Gale Woolbert

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General: Political, Military and Legal

DEMOCRACY TODAY AND TOMORROW. By EDUARD BENEŠ. New York: Macmillan, 1939, 244 p. $3.00.

An honest critique of democratic principles and practices by the former President of Czecho-Slovakia. Dr. Beneš, who approaches the subject historically, discusses the victories and failures of democratic methods in postwar Europe and the causes for the breakdown of the League. He concludes with a chapter on the future of democracy.

STEP BY STEP, 1936–1939. By WINSTON S. CHURCHILL. New York: Putnam, 1939, 324 p. $4.00.

In 1936 Mr. Churchill began writing a fortnightly column, largely on international affairs and military problems. Some eighty of these are republished here to form an amazingly coherent and sagacious commentary on Europe's descent into the abyss.

LET THE RECORD SPEAK. By DOROTHY THOMPSON. Boston: Houghton, 1939, 410 p. $2.75.

In this book Miss Thompson has assembled a number of her best *New York Herald Tribune* "columns" published over the last three years, and several of her speeches and broadcasts. Reading them over, one is struck by her power to separate the grain from the chaff in the day's news, to give her comments historical perspective, and to show flashes of prophetic vision. Indeed, her present compilation, like Winston Churchill's recent books, is something in the nature of an "I told you so."

THE SECOND WORLD WAR: FIRST PHASE. By DUFF COOPER. New York: Scribner, 1939, 346 p. $2.50.

Speeches, broadcasts and articles delivered or written since the author resigned from his position as First Lord of the Admiralty in the Chamberlain Government in October 1938. They reveal a broad historical knowledge and sensitivity to the real meaning of contemporary political developments.

EUROPEAN CIVILIZATION: ITS ORIGIN AND DEVELOPMENT. VOLUME VII: THE RELATIONS OF EUROPE WITH NON-EUROPEAN PEOPLES. EDITED BY EDWARD EYRE. New York: Oxford University Press, 1939, 1,209 p. $6.50.

The concluding volume of an ambitious, if not entirely successful, attempt at historical synthesis. Thirteen specialists contributed to this volume.

ANGLO-SAXONY AND ITS TRADITION. By GEORGE CATLIN. New York: Macmillan, 1939, 344 p. $3.00.

The author, an Englishman long resident in America, believes that there is an Anglo-Saxon tradition which is a part of the great humanist tradition; that this common experience must be preserved if western civilization is to continue; and that a federal union should therefore be set up between the Anglo-Saxon states, including the United States.

A CARTOON HISTORY OF OUR TIMES. By DAVID LOW. New York: Simon and Schuster, 1939, 171 p. $2.00.

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Some eighty of the best sketches by Britain's most devastating cartoonist, concerning disarmament, collective security, the Far East, Spain, the Axis and the British Empire. The publishers gild the lily by adding an explanatory text by Quincy Howe.

NO COMPROMISE: THE CONFLICT BETWEEN TWO WORLDS. By Melvin Rader. New York: Macmillan, 1939, 403 p. $3.50.

Fascism and its danger for western culture and democratic institutions examined on the theoretical plane. The author, a professor at the University of Washington, has grasped the essential ideas of his subject and has gone through the relevant literature, but his argument may sometimes prove a bit abstruse for the layman.

THE NEW DEMOCRACY AND THE NEW DESPOTISM. By Charles E. Merriam. New York: Whittlesey, 1939, 278 p. $3.00.

A keen theoretical analysis, plus practical suggestions for making democratic processes more effective, by a professor of political science at the University of Chicago.

POLITICAL THOUGHT: THE EUROPEAN TRADITION. By J. P. Mayer and Others. New York: Viking, 1939, 485 p. $4.00.

A survey stressing the historical continuity of ideas.

SWORDS AND SYMBOLS: THE TECHNIQUE OF SOVEREIGNTY. By James Marshall. New York: Oxford University Press, 1939, 168 p. $2.00.

Political processes and ideas comprehensibly dissected by a New York lawyer, now President of the Board of Education in that city.

MAN OR LEVIATHAN? By Edward Mousley. London: Allen and Unwin, 1939, 470 p. 15/.

The author holds that the existence of the modern national state as a completely sovereign organism made it inevitable that the League of Nations should degenerate into a sort of "holding company" for one set of Powers to be used by them as an instrument against an opposing group outside the League, and that this is why war is endemic in the world today. The only solution is the creation of a super-national state, he holds.

CONSTITUTIONALISM AND THE CHANGING WORLD. By C. H. McIlwain. New York: Macmillan, 1939, 312 p. $4.50.

Fifteen papers, previously printed elsewhere, on sundry subjects, by one of America's outstanding authorities on political theory.

REVOLUTIONS AND DICTATORSHIPS: ESSAYS IN CONTEMPORARY HISTORY. By Hans Kohn. Cambridge: Harvard University Press, 1939, 437 p. $3.50.

Essays, most of them already published, by an acute observer and analyst, professor of modern history at Smith College.

THEORIE DER POLITIK. By Wilhelm Glungler. Leipzig: Voglrieder, 1939, 744 p. M. 28.50.

A compendium on political philosophy in which the state is conceived as the dynamic organism of the nation. Though the book was praised by Nazi reviewers, its sale has now been forbidden in Germany.

MODERN MAN IN THE MAKING. By Otto Neurath. New York: Knopf, 1939, 159 p. $2.95.

The use of pictorial symbols — "isotypes" — has become increasingly popular in recent years as a means of making statistics more readily comprehensible. Dr. Neurath, founder of the Social and Economic Museum at Vienna and originator of this technique, now applies it to a comprehensive representation of man's history and his present political, economic and social state. In an appendix the author cites his sources.

EUROPE — GOING, GOING, GONE! By Count Ferdinand Czernin. New York: Greystone, 1939, 324 p. $2.75.

Witty sketches on the decline of European civilization by an Austrian exile, son of the wartime Hapsburg Foreign Minister.

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EUROPE IN THE FOURTH DIMENSION. By V. Poliakoff. New York: Appleton-Century, 1939, 104 p. $1.25.

A superficial, almost inconsequential, survey (with 14 maps) of spiritual values in Europe (before the present war), by a journalist who is better known as "Augur."

LE PROBLÈME COLONIAL ET LA PAIX DU MONDE. By André Touzet. Paris: Sirey, 1937–1938, 4 v. Fr. 140.

The author of this comprehensive work is a high French official in Indo-China, and his analysis of the colonial problem therefore has a practical turn. Volume I treats Germany's colonial claims, Volume II Italian and Japanese expansion, and Volumes III and IV more general questions. The war has invalidated, or at least postponed the possibility of applying, some of his suggestions for a solution of the problem.

THE POLITICAL USE OF THE RADIO. By Thomas Grandin. Geneva: Geneva Research Centre, 1939, 116 p. 40 cents.

The newest, and perhaps most powerful, method for disseminating news and forming public opinion subjected to a searching analysis by a man active in European radio circles. A timely and fact-laden little book.

PUBLIC OPINION IN A DEMOCRACY. By Charles W. Smith, Jr. New York: Prentice-Hall, 1939, 598 p. $4.00.

How public opinion is formed, how it expresses itself, and what its relations are to governmental agencies, examined by an assistant professor of political science in the University of Alabama.

THE FINE ART OF PROPAGANDA: A STUDY OF FATHER COUGHLIN'S SPEECHES. Edited by Alfred McClung Lee and Elizabeth Briant Lee. New York: Harcourt, for the Institute for Propaganda Analysis, 1939, 140 p. $1.50.

An examination of the seven major propaganda devices and how they are applied by the Catholic Radio Priest.

CONTRÔLE LÉGISLATIF DE L'EXTRÉMISME POLITIQUE DANS LES DÉMOCRATIES EUROPÉENNES. By Karl Loewenstein. Paris: Librairie Générale de Droit, 1939, 137 p.

A scholarly monograph by a professor of political science at Amherst College.

STUDIES IN POPULAR ISLAM. By Samuel M. Zwemer. New York: Macmillan, 1939, 148 p. $2.50.

Papers on anti-modernist Moslem beliefs and practices.

WE WERE THERE. Edited by Wilfrid Hindle. New York: Putnam, 1939, 263 p. $3.00.

The highlight experiences of twelve British journalists in various parts of the world.

ARMIES OF SPIES. By Joseph Gollomb. New York: Macmillan, 1939, 213 p. $2.50.

A somewhat sensational description of the techniques employed by international spies, chiefly German.

PROTIV FASHISTSKOI FAL'SIFIKATSII ISTORII. SBORNIK STATEI. Edited by E. V. Tarle, F. I. Notovich and Others. Moscow: Izdatelstvo Akademii Nauk, S.S.S.R., 1939, 446 p. $1.50.

A collection of essays attacking the way the Fascists have rewritten history.

WAR IS NOT INEVITABLE. By Various Writers. New York: Oxford University Press, for the Geneva Institute of International Relations, 1939, 299 p. $1.50.

The papers in this symposium, originally delivered by the 13 authors as lectures in Geneva in August 1938, have acquired a peculiar interest in view of recent events.

THE MILITARY STRENGTH OF THE POWERS. By Max Werner. New York: Modern Age Books, 1939, 324 p. 95 cents.

A conspectus covering eight countries, including the United States, in which the

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anonymous author plays up the military strength of Russia and argues for close coöperation — this was before the Nazi-Soviet pact — between Russia and the "democracies."

DIPLOMACY. By Harold Nicolson. New York: Harcourt, 1939, 264 p. $2.00.

The history, elementary rules and practice of diplomacy lucidly set forth for the layman. The author, a trained diplomat himself, devotes particular attention to recent changes in the methods of diplomacy.

DAS RECHT DER VÖLKER. VOLUME I: ABSCHIED VOM "VÖLKERRECHT." By Hans K. E. L. Keller. Berlin: Vahlen, 1938, 139 p. M. 6.50.

An attempt to replace the old principles of international law, which the author holds were inspired by British and French policy, with new ones based on German needs.

EVIDENCE BEFORE INTERNATIONAL TRIBUNALS. By Durward V. Sandifer. Chicago: Foundation Press, 1939, 443 p. $10.00.

A thoroughly annotated legal monograph.

General: Economic and Social

THE MARCH OF FASCISM. By Stephen Raushenbush. New Haven: Yale University Press, 1939, 355 p. $3.00.

This book comes closer than most to a sane and credible explanation of the economic and social conditions favoring the success of Fascist movements, conditions which the author finds in varying degrees in all countries, especially Eastern Europe and Latin America. Mr. Raushenbush believes the United States to be infected already with the Fascist virus and gives practical suggestions for exorcising it.

L'INTERVENTION DE L'ÉTAT EN MATIÈRE ÉCONOMIQUE. By Henry Laufenburger. Paris: Librairie Générale de Droit, 1939, 371 p. Fr. 78.

A comparative study based on recent trends in all the larger countries, by a professor at the University of Strasbourg.

ECONOMIC ADAPTATION TO A CHANGING WORLD MARKET. By Carl Major Wright. Copenhagen: Munksgaard, 1939, 305 p. 10/6.

A technical study of the effects of changes in supply and demand.

INTERNATIONAL MONETARY ECONOMICS. By Michael A. Heilperin. New York: Longmans, 1939, 281 p. $4.20.

A comprehensive and original contribution on a complicated subject.

THE HISTORY AND MECHANISM OF THE EXCHANGE EQUALISATION ACCOUNT. By Leonard Waight. New York: Macmillan, 1939, 191 p. $2.50.

How the pound was kept relatively stable with the franc and dollar in recent years.

LA MINE ET L'USINE: CHAMPS DE BATAILLE DES GUERRES FUTURES. By Eugène Prost. Paris: Dunod, 1939, 290 p.

A competent, factual survey of the mineral resources and metallurgical industries of the principal European states, by a professor emeritus at the University of Liège.

VANISHING LANDS: A WORLD SURVEY OF SOIL EROSION. By G. V. Jacks and R. O. Whyte. New York: Doubleday, 1939, 332 p. $4.00.

A careful survey of the devastation being wrought throughout the world by soil erosion, and a discussion of its economic, social and political consequences.

IL PETROLIO NELL'ECONOMIA MONDIALE. By Cesare Alimenti. Turin: Einaudi, 1939, 249 p. L. 15.

Parts one and two concern the economics and politics of the world's oil industry, while part three deals with Italy's oil problem. A good factual summary, supplied with statistical tables and a bibliography.

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MIROVAYA TORGOVLYA MARGANTSEVOY RUDOY. By A. M. Genshaft. Moscow: Mezhdunarodnaya Kniga, 1939, 218 p. 80 cents.

A study on the world's trade in manganese.

RACE. By Louis L. Snyder. New York: Alliance, 1939, 342 p. $3.00.

A history of modern racial theories and of their exponents. In addition to a critical examination of the Aryan and Nordic myths, there are chapters on such movements as Pan Slavism, Pan Turanism, Pan Africanism, Pan Asianism, etc.

SOCIETY IN TRANSITION: PROBLEMS OF A CHANGING AGE. By Harry Elmer Barnes. New York: Prentice-Hall, 1939, 1,016 p. $5.00.

Mr. Barnes is willing to take most, if not all, knowledge for his province. But his compendious syntheses, though always stimulating, are not always balanced in the judgments they pass or the sermons they preach. The present work is no exception.

HET SOCIALISME EN DE NATIE. By A. S. de Leeuw. Amsterdam: "Pegasus," 1939, 376 p. Fl. 1.10.

A history of Socialism as a political movement, especially in The Netherlands.

ORGANIZED LABOUR IN FOUR CONTINENTS. By H. A. Marquand and Others. New York: Longmans, 1939, 518 p. $4.00.

Organized labor in eleven countries examined by as many contributors. The chapters on Britain, France and Scandinavia are the best and the one on Italy the poorest.

REFUGEES. Edited by Francis J. Brown. Philadelphia: American Academy of Political and Social Science, 1939, 271 p. $2.00.

An issue of the *Annals* devoted to the refugee problem and its possible solutions.

A CHRISTIAN LOOKS AT THE JEWISH QUESTION. By Jacques Maritain. New York: Longmans, 1939, 90 p. $1.00.

In this eloquent pamphlet a distinguished French Catholic writer arraigns Christians for their unchristian behavior towards the Jews.

BLACK FOLK THEN AND NOW. By W. E. Burghardt Du Bois. New York: Holt, 1939, 401 p. $3.50.

This compendium on the history, anthropology, economics and social problems of the Negro in both hemispheres — by the dean of American Negro scholars — is useful for the general reader rather than the specialist.

THE TRAIL OF OPIUM: THE ELEVENTH PLAGUE. By Margaret Goldsmith. London: Hale, 1939, 286 p. 12/6.

The history of the opium trade and of the world-wide efforts to suppress it.

The World War

WOODROW WILSON: LIFE AND LETTERS. VOLUME VIII: ARMISTICE, MARCH 1–NOVEMBER 11, 1918. By Ray Stannard Baker. New York: Doubleday, 1939, 626 p. $5.00.

This concluding volume of Mr. Baker's monumental work covers the last eight months of the World War. As in Volume VII, Mr. Baker lets the documents speak for themselves. To this extent he seems to have abandoned the task on which he originally embarked. He has arranged his materials in chronological order, a system which has both advantages and drawbacks. What we have here is the raw material of history rather than history itself. The four principal questions with which this volume is concerned are the conduct of the war, American intervention in Russia, the proposed League of Nations and the bases of the coming peace settlement.

THE WAR BEHIND THE WAR, 1914–1918. By Frank P. Chambers. New York: Harcourt, 1939, 620 p. $3.75.

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A diligent, competent, but on the whole conventional narrative of political and economic developments on the "civilian fronts" in the principal belligerent countries.

THE FALL OF THE RUSSIAN MONARCHY. By Bernard Pares. New York: Knopf, 1939, 510 p. $5.00.

No foreigner can speak on Russian subjects with greater authority than Sir Bernard Pares, more than thirty years professor of Russian language and history at Liverpool and London Universities and author of several important books. In this work Sir Bernard draws on his extensive personal experiences in Russia and his researches covering many years to reconstruct the history of the progressive breakdown in the power and prestige of the Romanov dynasty from 1914 to 1917.

HISTORY OF THE GREAT WAR: MILITARY OPERATIONS, FRANCE AND BELGIUM, 1918, MAY–JULY: THE GERMAN DIVERSION OFFENSIVES AND THE FIRST ALLIED COUNTER-OFFENSIVE. Compiled by Brigadier-General Sir James E. Edmonds. New York: Macmillan, 1939, 385 p. $4.00.

Another volume in the exhaustive "History of the Great War Based on Official Documents," complete with appendices and maps.

AVEC FOCH (AOÛT–NOVEMBRE 1914). By André Tardieu. Paris: Flammarion, 1939, 283 p. Fr. 20.

Tardieu was an attaché on Foch's staff during the opening months of the war. Here he has collected his notes on important personages and conversations, together with some four hundred orders and *comptes rendus* of the French High Command.

SWITZERLAND AND THE WORLD WAR. By Pleasant Alexander Stovall. Savannah: Mason, 1939, 253 p. $3.00.

Miscellaneous recollections by the American Minister in Berne from 1913 to 1920.

LA SERBIA E L'INTERVENTO IN GUERRA DELL'ITALIA. By Mario Toscano. Milan: Giuffrè, 1939, 152 p. L. 18.

A documented essay in diplomatic history by a professor at Turin University.

The United States

CAN AMERICA STAY NEUTRAL? By Allen W. Dulles and Hamilton Fish Armstrong. New York: Harper, 1939, 277 p. $2.50.

In this revised and considerably expanded edition of their "Can We Be Neutral?" the authors take account of how the 1937 neutrality law operated during the wars in Ethiopia, Spain and China, and examine on their merits the several legislative devices suggested for lessening the danger that the United States may be drawn into war. There is an appendix of documents, a chronology and a selected bibliography.

DIE NEUTRALITÄT DER VEREINIGTEN STAATEN. By Erwin Neumann. Berlin: Junker and Dünnhaupt, 1939, 126 p. M. 5.50.

An historical and juridical anaylsis of American neutrality policy. The author holds that our desire to help England usually outweighs our desire for strict neutrality.

THE DEADLY PARALLEL. By C. Hartley Grattan. New York: Stackpole, 1939, 210 p. $2.00.

Mr. Grattan's "deadly parallel" is — as one would suspect from his "Why We Fought," published in 1929 — the similarity between the propaganda methods used in the United States to get us into the World War and those allegedly being used now for presumably identical ends. Mr. Grattan is fiercely anti-British, condemns the present war as a mere struggle for power between conflicting imperialisms, and sees no American interest involved. Mr. Grattan might have made a better case for isolation were it not for some of his prejudices and the hurry in which he wrote.

THE WAY FORWARD: THE AMERICAN TRADE AGREEMENTS PROGRAM. By Francis Bowes Sayre. New York: Macmillan, 1939, 230 p. $2.75.

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The aims and achievements of the American trade agreement policy set forth by the former Assistant Secretary of State in charge of the negotiation of such treaties.

AMERICA IN MIDPASSAGE. By Charles A. Beard and Mary R. Beard. New York: Macmillan, 1939, 977 p. $3.50.

The Beards carry their classic history of "The Rise of American Civilization" from 1928 down through 1938. As in the two previous volumes, social and cultural progress is traced along with developments in economics and politics. The major portion of the book is devoted to a critique of the New Deal, the foreign policies of which the authors far from approve — for reasons lucidly set forth in Mr. Beard's "Giddy Minds and Foreign Quarrels," reviewed below.

GIDDY MINDS AND FOREIGN QUARRELS. By Charles A. Beard. New York: Macmillan, 1939, 87 p. 50 cents.

A short isolationist tract, originally published in *Harpers Magazine*. Mr. Beard explains why he believes the United States should, and can, remain aloof from "foreign quarrels" in Europe, Africa and Asia. In spite of his plausibility and persuasiveness, some readers will conclude that giddiness can attack almost anyone.

WHY MEDDLE IN EUROPE? FACTS, FIGURES, FICTION AND FOLLIES. By Boake Carter. New York: McBride, 1939, 208 p. $2.00.

A pungent if not over-logical 200-page editorial in favor of American isolation, by a professional broadcaster.

OUR MILITARY CHAOS: THE TRUTH ABOUT DEFENSE. By Oswald Garrison Villard. New York: Knopf, 1939, 212 p. $1.75.

A veteran editor and liberal takes the American Government to task for its lack of coördinated defense plans, for needless extravagance on our armed forces, and for the progressive militarization of the country — industrially and psychologically.

WHAT WILL HAPPEN AND WHAT TO DO WHEN WAR COMES. Edited by Larry Nixon. New York: Greystone, 1939, 290 p. $2.25.

Six American newspapermen tell us what they think will be the effect on our property, business, jobs, living requirements and persons if this country goes to war — and what will be the cost, whether we win or lose.

AFTER SEVEN YEARS. By Raymond Moley. New York: Harper, 1939, 446 p. $3.00.

The author was one of President Roosevelt's closest confidantes, and — according to Mr. Moley — the real author of most of the ideas and measures that marked the early days of the New Deal. Though he left public office in September 1933 to become editor of *Today*, Mr. Moley claims to have enjoyed close connections with the President until 1936. He kept a detailed diary and preserved a mass of documents, on which he draws for the wealth of "inside" information that crams this very indiscreet book.

INSIDE THE DEPARTMENT OF STATE. By Bertram D. Hulen. New York: Whittlesey, 1939, 328 p. $3.00.

The correspondent of the *New York Times* assigned to the State Department in Washington authoritatively describes the processes of American diplomacy.

A GUIDE TO ALASKA: THE LAST AMERICAN FRONTIER. By Merle Colby. New York: Macmillan, 1939, lxv, 427 p. $3.00.

An attractive and readable handbook on the history, economics, social life and natural resources of our largest possession.

Western Europe

HOW WAR CAME. By Raymond Gram Swing. New York: Norton, 1939, 266 p. $2.00.

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Mr. Swing is generally regarded as having shown himself the best-informed of the American radio commentators who covered the crisis leading up to the war. In this book he has gathered the texts of his broadcasts from the German invasion of Czecho-Slovakia in March 1939 to the outbreak of war on September 3. Mr. Swing makes no pretense that he has written definitive history; yet his collected broadcasts form a remarkably sound appraisal of six months of crisis.

FOUR DAYS. Edited by Michael Killanin. London: Heinemann, 1938, 242 p. 8/6.

Seven journalists of six nationalities report on events in the important capitals during the Munich crisis. The accounts are circumstantial though occasionally contradictory.

CHRONIQUE DE SEPTEMBRE. By Paul Nizan. Paris: Gallimard, 1939, 253 p. Fr. 21.

A French journalist's well-written reconstruction of the events of the Munich crisis that does not, however, go into the larger issues at stake.

HISTOIRE D'UN JOUR: MUNICH, 29 SEPTEMBRE, 1938. By Louis Thomas. Paris: Denoël, 1939, 270 p. Fr. 30.

A scurrilous attack on the policy of Beneš by a reactionary French journalist. The use of the word "history" in the title is altogether misleading.

FRANCE AND MUNICH BEFORE AND AFTER THE SURRENDER. By Alexander Werth. New York: Harper, 1939, 447 p. $3.50.

An English journalist's record of French foreign policy from early 1938 to the German invasion of Czecho-Slovakia in March 1939. Mr. Werth is severe in his condemnation of the fumbling weakness which marked French policy, especially under Bonnet, who emerges in these pages as the principal villain. Some of Mr. Werth's interpretations may be disproved by future revelations; on the whole, however, he has given a balanced and informed account of one of the great crises in French history.

IN DEFENSE OF FRANCE. By Edouard Daladier. New York: Doubleday, 1939, 239 p. $2.50.

Speeches made by M. Daladier since he became Prime Minister in April 1938, arranged topically rather than chronologically and lacking in necessary explanatory notes. The book is prefaced by a 40-page sentimental "profile" of Daladier.

FRANCE. By Wladimir d'Ormesson. New York: Longmans, 1939, 228 p. $2.00.

The foreign policy of France since the first World War surveyed superficially and none too candidly by a French political commentator, who always professes surprise when the inevitable occurs.

LE GOUVERNEMENT DE LA FRANCE. By Joseph-Barthélemy. Paris: Payot, 1939, 255 p. Fr. 30.

A thoroughly revised edition of the standard French work on the subject.

FRANCE, LIBÈRE-TOI! By Jean Montigny. Paris: Hachette, 1939, 316 p. Fr. 18.

A French deputy says — this is before the war, of course — that France should give up all commitments in Eastern Europe, leave that area to Hitler and concentrate on developing her own empire and reforming the French state.

L'HEURE DE L'ACTION. By Maurice Thorez. Paris: Éditions Sociales Internationales, 1938, 94 p. Fr. 6.

A speech made by the former Secretary of the French Communist Party — now legally outlawed — in which he repeated the slogans then *de rigueur* for all of Stalin's stooges. He declaims, among other things, against the "*capitulards* of Munich."

LE PLAN COMMUNISTE D'INSURRECTION ARMÉE. By Léon de Poncins. Paris: Les Libertés Françaises, 1939, 120 p. Fr. 7.50.

An anti-Semitic and anti-liberal writer "divulges" and comments on what he claims is a Communist plan for armed insurrection. In view of the suppression of the French Communist Party, the value of this tract is largely historical.

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SOUVENIRS D'UN MILITANT SOCIALISTE. By Émile Vandervelde. Paris: Denoël, 1939, 293 p. Fr. 30.

Vandervelde was a great Belgian as well as one of the leaders of the Socialist International. His memoirs thus have a dual importance. Unfortunately, his death in December 1938 prevented him from bringing them down to date, for the present volume closes with the Peace Conference in 1919.

ICELAND, THE FIRST AMERICAN REPUBLIC. By Vilhjalmur Stefansson. New York: Doubleday, 1939, 275 p. $3.50.

A famous Arctic explorer tells us of the history and the people in the land of his ancestors and what they are accomplishing today towards making democratic principles work in their economic and political life.

NORWAY: CHANGING AND CHANGELESS. By Agnes Rothery. New York: Viking, 1939, 294 p. $3.00.

Insight into the life and ideals of the Norwegian people.

SWEDEN: A MODERN DEMOCRACY ON ANCIENT FOUNDATIONS. By Nils Herlitz. Minneapolis: University of Minnesota Press, 1939, 127 p. $2.00.

Sweden's political and constitutional development placed in broad historical perspective by a professor of public law at the University of Stockholm.

THE REVOLUTION OF NIHILISM: WARNING TO THE WEST. By Hermann Rauschning. New York: Alliance, 1939, 300 p. $3.00.

The original German edition of this book, by a former Nazi President of the Danzig Senate, was reviewed at some length in the July 1939 issue of Foreign Affairs. The translator has omitted or condensed various parts of the original, but without impairing its position as the best analysis of Nazi methods and objectives yet published.

THE NEW GERMAN EMPIRE. By F. Borkenau. New York: Viking, 1939, 167 p. $2.00.

A German exile draws a terrifying picture of Nazi expansionist aims, their economic implications and the methods by which the way for German world dominion is being prepared. Though this book was written before the outbreak of war, most of it is still pertinent — indeed, some of the chapters have taken on added significance.

GERMANY RAMPANT. By Ernest Hambloch. New York: Carrick and Evans, 1939, 297 p. $2.50.

A former British consular official and *Times* correspondent finds that Hitler's doctrines and behavior conform to the inherent necessities of the German spirit as revealed by history. He holds that the German people are instinctively attracted by dreams of world conquest and that they prefer a government based on the "leadership principle."

MEN AGAINST HITLER. By Fritz Max Cahen. Indianapolis: Bobbs-Merrill, 1939, 258 p. $2.00.

The story of the organized opposition to Hitler, both in and out of Germany, by one who helped organize it.

GERMANY'S COLONIAL DEMANDS. Edited by A. L. C. Bullock. New York: Oxford University Press, 1939, 274 p. $2.75.

This dispassionate survey of a much-debated problem originated in the discussions of the British Commonwealth Group at Oxford University.

NATIONAL SOCIALISM AND THE ROMAN CATHOLIC CHURCH. By Nathaniel Micklem. New York: Oxford University Press, for the Royal Institute of International Affairs, 1939, 243 p. $3.00.

An Anglican's account — informative, readable and reliable.

CRISIS FOR CHRISTIANITY. By William Teeling. London: Gifford, 1939, 320 p. 10/6.

A searching examination into the struggle between the Nazi state and the Catholic

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Church in Germany by a Catholic who does not hesitate to criticize what he regards as errors in the policy of his Church.

THE CORPORATE STATE IN ACTION: ITALY UNDER FASCISM. By Carl T. Schmidt. New York: Oxford University Press, 1939, 173 p. $2.25.

A competent estimate of the achievements of the much-advertised corporate state.

LES ÉTAPES DE L'ÉCONOMIE FASCISTE ITALIENNE DU CORPORATISME À L'ÉCONOMIE DE GUERRE. By Louis R. Franck. Paris: Librairie Sociale et Économique, for the Centre Polytechnicien d'Études Économiques, 1939, 282 p. Fr. 30.

During the last five years the Fascist Government has had to give up the illusion of creating a corporative state in favor of a drastic war economy based on Italian autarchy. The author, already distinguished for his solid works on Italian economy and politics, reconstructs the steps by which this change has been achieved. His account is based almost wholly on Fascist statistics, from which he cites abundantly.

L'ORGANIZZAZIONE DEL P. N. F. By Antonio Canepa. Palermo: Ciuni, 1939, 277 p. L. 15.

A description of the history and present organization of the Fascist Party.

LE FORZE ARMATE DELL'ITALIA FASCISTA. By Tomaso Sillani. Rome: La Rassegna Italiana, 1939, 342 p. L. 40.

A book of first-rate importance concerning the status of Italy's military, naval and air forces and of the Fascist militia. This collection, to which some thirty of the country's highest officers contribute, is notable for its factual and statistical documentation.

I PROBLEMI DELLA GUERRA MODERNA E LA POLITICA MILITARE DELL'ITALIA. By Carlo de Rysky. Milan: Istituto Editoriale Cisalpino, 1939, 326 p. L. 20.

An instructor at the University of Milan examines Italy's military position.

ITALIA MINERARIA. By Ciro Poggiali. Rome: Edizioni Roma, 1939, 294 p. L. 15.

A popular survey of the mineral resources and industries of Italy and Ethiopia.

VITTORIO EMANUELE III. By Gioacchino Volpe. Milan: Istituto per gli Studi di Politica Internazionale, 1939, 254 p. L. 12.

A biography by a prominent Italian historian, secretary of the Royal Academy.

PIO XI E LA SUA EREDITÀ PONTIFICALE. By Luigi Salvatorelli. Turin: Einaudi, 1939, 259 p. L. 12.

A leading Italian historian records the political activities of the late Pontiff.

GIBRALTAR AND THE MEDITERRANEAN. By G. T. Garratt. New York: Coward-McCann, 1939, 351 p. $2.50.

Mr. Garratt examines the history and the present strategical and political function of Gibraltar in relation to larger British interests, particularly in the Mediterranean. He feels that, even though the Rock has been rendered largely useless by German-built fortifications nearby and by Britain's Spanish policy, it would be unwise to surrender it to Franco or to exchange it for Ceuta. As for the Mediterranean, in which he assumed that a general war would include Italy as an ally of Germany, he favors an intermediate policy, neither abandoning that sea completely nor yet seeking to hold all bases and colonies. His description of the close relationship between certain Spaniards and Germany during and since the World War is illuminating.

ENGLISH CAPTAIN. By Tom Wintringham. London: Faber, 1939, 333 p. 12/6.

An Englishman goes to Madrid to report the war and stays to command the English battalion in the International Brigade. This book contains much information about the conduct of the war on the Loyalist side.

MOLA. By José María Iribarren. Saragossa: Librería General, 1938, 286 p. Ptas. 6.

This life of the famous Rebel general, by his secretary, is of special significance

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because of the light it throws on the origins of the military conspiracy. It reveals *inter alia* that the final plans for the uprising were issued by Mola as early as April 1936.

QUE ES 'LA NUEVO' . . . By José Pemartín. San Sebastian: Librería Internacional, 1938, 486 p. Ptas. 12.

The author, National Chief of University and Secondary Education in the Franco Government, here presents a competent if somewhat astounding survey of Spanish Fascism. He predicts the triumph of Fascism in Europe, the union of the Hispanic nations and the eventual defeat of the United States by Japan, followed by the conversion of the former to Catholicism. This is one of the most important books of political thought published in Nationalist Spain.

AIRE, TIERRA Y MAR. By J. García Mercadal. Saragossa: Colección Hispania, 1938, 372 p.

A detailed survey of the military plot and of the first year of the war.

Eastern Europe

STALIN: A CRITICAL SURVEY OF BOLSHEVISM. By Boris Souvarine. New York: Alliance, 1939, 690 p. $4.50.

The author helped found the French Communist Party and once belonged to the Executive Committee of the Comintern. His book is not only a devastating attack on Stalin for having wrecked the socialist experiment in Russia but a critical analysis of the conflict between the various forces and personalities in the Soviet leadership. An important book, in some respects a Russian counterpart to Rauschning's invaluable volume on Germany.

TOWARD AN UNDERSTANDING OF THE U.S.S.R. By Michael T. Florinsky. New York: Macmillan, 1939, 245 p. $2.50.

The author is a former Tsarist officer who is now a lecturer in economics at Columbia University. Given his background, he succeeds in being fairly objective and his book represents quite a feat in condensation and synthesis.

AGAINST AGGRESSION. By Maxim Litvinov. New York: International Publishers, 1939, 208 p. $1.50.

Thirteen pronouncements made while the author was in charge of Soviet foreign policy.

LAND OF THE SOVIETS: A HANDBOOK OF THE U.S.S.R. By Nicholas Mikhailov. New York: Furman, 1939, 351 p. $2.50.

An official survey of the economic development of the Soviet Union.

HISTORY OF THE COMMUNIST PARTY OF THE SOVIET UNION (BOLSHEVIKS). Edited by a Commission of the Central Committee. New York: International Publishers, 1939, 364 p. $2.00.

The official history of the party from 1883 to 1937.

FEATURES AND FIGURES OF THE PAST: GOVERNMENT AND OPINION IN THE REIGN OF NICHOLAS II. By V. I. Gurko. Stanford: Stanford University Press, 1939, 760 p. $6.00.

Memoirs of a high Tsarist official especially interested in peasant problems.

PROFSOYUZY SSSR V SOZDANII KRASNOY ARMII 1918–1929 GG. Compiled by K. Gulevich and E. Mikhailova. Moscow: Profizdat, 1939, 192 p. 50 cents.

The rôle of the Soviet trade unions in the creation of the Red Army.

WE DIDN'T ASK UTOPIA. By Harry and Rebecca Timbres. New York: Prentice-Hall, 1939, 290 p. $2.50.

The experiences of a Socialist-minded American Quaker family in Eastern Russia where Dr. Timbres was engaged in medical research. An honest, moving picture.

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WETTLAUF MIT DER GPU. By Wladimir Unischewski. Berlin: Nibelungen-Verlag, 1939, 319 p. M. 4.

An aviator who fled Russia says *inter alia* that Soviet airplanes are defective.

I WENT TO THE SOVIET ARCTIC. By Ruth Gruber. New York: Simon and Schuster, 1939, 333 p. $3.00.

A young American journalist travels 6,000 miles through Northern Siberia.

LES PROBLÈMES UKRAINIENS ET LA PAIX EUROPÉENNE. By André Sidobre. Paris: Jouve, 1939, 78 p. Fr. 10.

This little book describing the Nazis' original plans for expansion to the east underlines the setback which those plans have met under the Berlin-Moscow pact.

FINNLAND: JUNGER STAAT IM AUFSTIEG. By Johannes Stoye. Leipzig: Schwarzhäupter-Verlag, 1939, 232 p. M. 5.50.

Finland's history, land and people readably described, with occasional emphasis on German influences.

ECONOMICS OF PEASANT FARMING. By Doreen Warriner. New York: Oxford University Press, 1939, 208 p. $4.25.

A survey of the economic and social status of the peasant in Eastern Europe.

POLAND. By William John Rose. New York: Penguin, 1939, 244 p. 25 cents.

A competent bird's-eye view of Poland's position in European history and politics — as of August 1939.

THE AUTHENTIC BIOGRAPHY OF COLONEL BECK. By J. H. Harley. London: Hutchinson, 1939, 199 p. 7/6.

An over-friendly and over-brief official portrait of the former Foreign Minister of Poland, based on the Polish work of Conrad Wrzos.

DAS IST POLEN. By F. W. von Oertzen. Munich: Langen-Müller, 1939, 250 p. M. 3.60.

A Nazi attack on Poland's (former) ruling clique and all its acts.

DANTZIG: VILLE LIBRE: BASTION DES LIBERTÉS EUROPÉENNES. By Édouard Krakowski. Paris: Sorlot, 1939, 79 p. Fr. 7.50.

An attempt to show how necessary a free Danzig was to a free Poland.

HOSPODÁŘSKÝ ZEMEPIS DRUHÉ REPUBLIKY. By Karel Matousek. Prague: Česko-slovenská Grafická Unie, 1939, 228, p. Kč. 24.

A comprehensive manual on the "Second" Republic of Czecho-Slovakia.

SOUTH-EASTERN EUROPE: A POLITICAL AND ECONOMIC SURVEY. New York: Oxford University Press, for the Royal Institute of International Affairs, 1939, 203 p. $2.00.

Another of the excellent little books prepared by the Information Department of the Royal Institute. This one covers recent political and economic developments in Hungary, Rumania, Jugoslavia, Albania, Greece, Bulgaria and Turkey.

THE DANUBE. By Emil Lengyel. New York: Random House, 1939, 482 p. $3.75.

Colorful vignettes of life and landscapes along the Danube, designed to create impressions rather than to tell a story. Those who love this part of Europe are sure to read these pages with nostalgia.

BOR'BA IMPERIALISTOV V DUNAISKOM BASSEINE. By Z. Lippai. Moscow: Sotsekgiz, 1939, 191 p. 70 cents.

A Soviet view of the present stuggle to dominate the Danubian area.

JUGOSLAWIEN AM SCHEIDEWEGE. By Milutin Tschekitsch. Leipzig: Meiner, 1939, 139 p. M. 4.50.

The Serb-Croat dispute stated by a Croatian writer. The book was written before the recent compromise settlement of this long-standing question.

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NAŠ NACIONALNI PARADOKS: JEDAN ILI DVA NARODA? By M. Petrovic. Novi Sad: Jovanović i Bogdanov, 1938, 113 p.

Explores the question: Are the Serbs and Croats two peoples or one?

BULGARIAN CONSPIRACY. By J. Swire. London: Hale, 1939, 356 p. 12/6.

The principal value of this opinionated book is that it gives details concerning the structure and activities of the Internal Macedonian Revolutionary Organization (the famous I M R O) and of its place in Bulgarian politics.

THE ALBANIAN STRUGGLE IN THE OLD WORLD AND NEW. Boston: The Writer, 1939, 168 p. $2.00.

A history of the Albanian independence movement with emphasis on the rôle of Albanians in the United States, prepared by the Federal Writers' Project of the W.P.A.

The British Commonwealth of Nations

FOREIGN AFFAIRS. By Anthony Eden. New York: Harcourt, 1939, 366 p. $3.00.

A collection of Mr. Eden's speeches, mostly delivered in the House of Commons, from 1924 through 1938. They are graceful and show the author's sincere idealism, but they lack the weight and drive of Churchill's addresses.

THE DEFENCE OF BRITAIN. By Liddell Hart. New York: Random House, 1939, 444 p. $3.50.

England's foremost writer on military questions describes and criticizes the progress British rearmament has made and suggests what remains to be done. He also discusses the strategic situation of England and of her "forward positions" — France, the Low Countries and Switzerland. Liddell Hart has long advocated a purely defensive war as the best for Britain, one in which men and *matériel* would be conserved as far as possible and in which no troops would be sent to the Continent. In the present war the British High Command has thus shown itself in accord with only part of his teachings.

HOW STRONG IS BRITAIN? By C. E. Count Pückler. New York: Veritas, 1939, 239 p. $2.50.

A former German journalist analyzes Britain's military and economic strength acutely and objectively, but fails to consider the psychological factors.

NIGHT OVER ENGLAND: A REPORT. By Eugene and Arline Löhrke. New York: Harrison-Hilton Books, 1939, 192 p. $2.00.

Two Americans find the English ruling class selfish, weak and shortsighted, a belief in which they are confirmed after observing Chamberlain's behavior in the Munich crisis.

WARNINGS AND PREDICTIONS. By Viscount Rothermere. London: Eyre, 1939, 222 p. 5/.

Rothermere of the *Daily Mail*, one of Britain's premier press lords, has long been noted for his outspoken views on his country's domestic and foreign policies. His emotional leanings are toward totalitarian doctrines and methods; he despised Czecho-Slovakia, distrusted France, and championed the cause of Hungary. In this book he pieces together various of his philippics of recent years by way of showing how right he was.

RECORD AND REACTIONS, 1856–1939. By the Earl of Midleton. New York: Dutton, 1939, 318 p. $3.50.

Amiable memoirs of a day when Britain's power was seldom challenged.

TREATY RELATIONS OF THE BRITISH COMMONWEALTH OF NATIONS. By Robert B. Stewart. New York: Macmillan, 1939, 503 p. $5.00.

A scholarly monograph by an instructor in Harvard University.

CANADIAN MOSAIC: THE MAKING OF A NORTHERN NATION. By John Murray Gibbon. New York: Dodd, 1939, 455 p. $5.00.

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An illustrated description of the part played by the different European national strains in making Canada what it is today.

DAS DEUTSCHTUM IN WESTKANADA. By Heinz Lehmann. Berlin: Junker und Dünnhaupt, 1939, 414 p. M. 12.

A thorough treatise on the history, geographical distribution, religious and national organizations, and cultural conditions of the 250,000 inhabitants of German origin or ancestry in Western Canada. Two maps.

THE WHEAT ECONOMY. By G. E. Britnell. Toronto: University of Toronto Press, for the Canadian Institute of International Affairs, 1939, 259 p. $2.50.

The economic, political and social results of Saskatchewan's dependence on wheat.

AUSTRALIA: HER HERITAGE, HER FUTURE. By Paul McGuire. New York: Stokes, 1939, 349 p. $3.50.

A mixture of history, politics, economics and personal opinions.

THE PRESENT CONDITION OF INDIA. By Leonard M. Schiff. London: Quality Press, 1939, 196 p. 6/.

A well-informed study of the changes in India's social relationships under the new constitutional order.

TESTAMENT OF INDIA. By Ela Sen. London: Allen and Unwin, 1939, 286 p. 7/6.

Indian problems and personalities seen from the standpoint of a Congress Socialist.

WAR WITHOUT VIOLENCE, A STUDY OF GANDHI'S METHOD AND ITS ACCOMPLISHMENTS. By Krishnalal Shridharani. New York: Harcourt, 1939, 351 p. $2.50.

An authoritative treatise on the theory and practice of Gandhi's political device — "non-violent direct action" — by one of his followers.

GANDHI TRIUMPHANT! By Haridas T. Muzumdar. New York: Universal Publishing Company, 1939, 103 p. $1.00.

The Indian Nationalist version of the story behind the fast which Gandhi undertook last winter in Rajkot in order to oblige the British to permit a native prince to make certain reforms demanded by the Congress Party.

The Near East

KEMAL ATATURK. By J. G. Blanco Villalta. Buenos Aires: Claridad, 1939, 519 p.

The career of Ataturk retold in detail for Latin American readers.

TOLDOT HAZHARAT BALFOUR. By M. Gelber. Jerusalem: The Zionist Executive, 1939, 360 p.

A scholarly history of the Balfour Declaration, based on research in the archives of the Zionist Organization.

WHITHER ARABIA? By W. Harold Storm. New York: World Dominion Press, 1939, 132 p. $2.00.

A survey of Christian missionary activity in the Arabian countries, with maps.

SHEBA'S DAUGHTERS. By H. St. J. B. Philby. London: Methuen, 1939, 485 p. 21/.

The world's leading authority on the history and geography of Arabia describes the latter part of a nine-month journey he recently made from Saudi Arabia overland to Aden, the first on record by a European. The book contains an indictment of the expansionist policy being pursued by the British around Aden.

DIE BEDUINEN. VOLUME I: DIE BEDUINENSTÄMME IN MESOPOTAMIEN UND SYRIEN. By Max Freiherr von Oppenheim. Leipzig: Harrassowitz, 1939, 387 p. M. 24.

A scholarly work of fundamental value based on forty years of research.

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Africa

NOTRE TUNISIE. By Andrée Viollis. Paris: Gallimard, 1939, 206 p. Fr. 18.
Vignettes of Tunisian politics in late 1938. A well-informed book.

TUNISI, OGGI. By Daniele Occhipinti. Rome: Cremonese, 1939, 143 p. L. 8.
An attack on the French administration in Tunisia by a former editor of the Fascist newspaper *Unione* of Tunis, expelled last year for his violent anti-French activities.

LA QUESTIONE DEL NILO. By Italo Neri. Rome: Edizioni Italiane, 1939, 221 p. L. 16.
A diplomatic history covering the last 75 years, with an extensive bibliography.

STORIA DELLA POLITICA INGLESE NEL SUDAN (1882–1938). By Ettore Anchieri. Milan: Bocca, 1939, 221 p. L. 14.
A concise summary.

LA SOMALIE FRANÇAISE. By E. Aubert de la Rüe. Paris: Gallimard, 1939, 163 p. Fr. 40.
Detailed information on a small but strategically important French colony.

IL NODO DI GIBUTI: STORIA DIPLOMATICA SU DOCUMENTI INEDITI. By Francesco Salata. Milan: Istituto per gli Studi di Politica Internazionale, 1939, 339 p. L. 15.
Senator Salata is one of the foremost diplomatic historians in Italy. In this volume he makes use of considerable unpublished material to reconstruct the diplomatic history of the French possession earnestly coveted by Italy.

FÜR DAS ROTE KREUZ IN AETHIOPIEN. By Sidney H. Brown. New York: Europa Verlag, 1939, 248 p.
A Swiss Red Cross officer who served with the Ethiopian forces documents previous accusations that the Italians pursued a systematic policy of frightfulness.

"BEHOLD OUR NEW EMPIRE" — MUSSOLINI. By Louise Diel. London: Hurst, 1939, 256 p. 10/6.
An observing German lady sees some of the high spots in Ethiopia and reports favorably though not uncritically on the progress of Italian "civilization" there.

VERSO L'IMPERO. By Alessandro Lessona. Florence: Sansoni, 1939, 284 p. L. 25.
A former Minister of Colonies seeks to rectify foreign misconceptions about the origins, purpose and course of the war on Ethiopia.

STRADE IMPERIALI. By Giuseppe Cobolli Gigli. Milan: Mondadori, 1938, 203 p. L. 40.
A detailed description of the road system under construction in Ethiopia, by a former Minister of Public Works. There are numerous photographs, maps and charts.

LA REGIONE DEL LAGO TANA. By Giotto Dainelli. Milan: Mondadori, 1939, 117 p. L. 30.
An informative and profusely illustrated book on the people and resources of northwest Ethiopia, where it is reported that Jewish colonies may be established.

JUDGMENT ON GERMAN AFRICA. By G. L. Steer. London: Hodder, 1939, 351 p. 12/6.
A journalist, noted for his penetrating accounts of the wars in Ethiopia and Spain, examines Germany's reputation as a colonial power in Africa, compares it with that of Britain, and warns against permitting the Germans to return to that continent.

THE CAMEROONS AND TOGOLAND: A DEMOGRAPHIC STUDY. By Robert R. Kuczynski. New York: Oxford University Press, for the Royal Institute of International Affairs, 1939, 579 p. $10.00.
An expert critique of population statistics and problems.

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The Far East

CHAOS IN ASIA. By Hallett Abend. New York: Ives Washburn, 1939, 313 p. $3.00.

Readers of the *New York Times* have long been familiar with Mr. Abend's dispatches from the Far East. In this book on the current Sino-Japanese war he contributes to our understanding of the political and economic consequences of that conflict. Mr. Abend's critical point of view, while pleasing to the partisans of neither Japan nor China, will recommend itself to readers who seek unbiased guidance.

THE HOUSE OF MITSUI. By Oland D. Russell. Boston: Little, Brown, 1939, 328 p. $4.00.

The history of the Mitsui family, one of the oldest and most powerful economic dynasties in the world and the one which controls 15 percent of Japan's trade and industry, is here presented with a fair degree of good will.

CAPITALISME JAPONAIS. By André Labrouquère. Paris: Librairie Générale de Droit, 1939, 156 p. Fr. 18.

An informative, concise and vivid survey of the rapid rise of Japanese capitalism.

JAPAN'S WAR IN CHINA. Shanghai: The China Weekly Review, 1938–1939, 2 v. $3.50.

A detailed chronology of military and diplomatic events, interpreted from the Chinese point of view.

THE CHINESE ARE LIKE THAT. By Carl Crow. New York: Harper, 1939, 328 p. $3.00.

Fascinating sketches of Chinese life and character by an American businessman long resident in the Orient.

SOUTH OF THE CLOUDS. By Gerald Reitlinger. London: Faber, 1939, 327 p. 15/.

The account of a trip through Yunnan in southern China.

L'ÉVOLUTION ÉCONOMIQUE DE L'INDOCHINE FRANÇAISE. By Charles Robequain. Paris: Hartmann, for the Centre d'Études de Politique Étrangère, 1939, 397 p. Fr. 40.

A detailed description of the economic life of Indo-China, stressing the progress made during the 75 years of French rule. The author is a professor at the Sorbonne.

THE RECENT DEVELOPMENT OF ECONOMIC FOREIGN POLICY IN THE NETHERLANDS EAST INDIES. By J. van Gelderen. New York: Longmans, 1939, 90 p. $2.00.

A concise monograph by a professor of sociology at the University of Utrecht and published for the Graduate Institute of International Studies at Geneva.

Latin America

DEMOCRACY AND THE AMERICAS. Edited by Ernest Minor Patterson. Philadelphia: American Academy of Political and Social Science, 1939, 237 p. $2.00.

This issue of the *Annals* covers totalitarian influences in Latin America, inter-American trade and cultural relations, and the results of the Lima Conference.

AMERICAS TO THE SOUTH. By John T. Whitaker. New York: Macmillan, 1939, 300 p. $2.50.

An up-to-the-minute, informative survey of the important problems of Latin American politics, in particular the influences exerted by the totalitarian countries, based on the author's trip to South America where he covered the Lima Conference.

THE MEXICAN CHALLENGE. By Frank L. Kluckhohn. New York: Doubleday, 1939, 296 p. $2.50.

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A *New York Times* correspondent, expelled from Mexico last February, tries to be fair in his exposure of the "real conditions" in that country. By some this book will be welcomed as "realistic" and "objective" and by others as "ill-informed" and "unfair" — depending on the readers' prejudices.

AN EYE-WITNESS OF MEXICO. By R. H. K. Maretт. New York: Oxford University Press, 1939, 268 p. $3.00.

A young Englishman, many years resident in Latin America and a member by marriage of an old Mexican family, comes closer than most foreign observers to a real understanding of the Mexican point of view.

MEXICO: AN OBJECT LESSON. By Evelyn Waugh. Boston: Little, Brown, 1939, 338 p. $2.50.

A monumentally-misinformed attack on modern Mexico, by a well-known English novelist, whose Catholic and conservative leanings were evidently too strong to permit him to see anything in Mexico except what he was looking for.

HISTORIA POLÍTICA DE LA REVOLUCIÓN. By Miguel Alessio Robles. Mexico City: Botas, 1938, 475 p.

A popular history of Mexico from 1911 to the fall of Calles.

FOUR KEYS TO GUATEMALA. By Vera Kelsey and Lilly De Jongh Osborne. New York: Funk, 1939, 332 p. $3.00.

Well-arranged and authentic information on the country, its people and their culture.

HAITI: THE CALVARY OF A SOLDIER. By Colonel D. P. Calixte. New York: Wendell Malliet, 1939, 125 p. $1.25.

A brief description of the country and a documented condemnation of the present Vincent régime, by a former head of the Garde d'Haiti, now an exile.

NEW ROADS TO RICHES IN THE OTHER AMERICAS. By Edward Tomlinson. New York: Scribner, 1939, 438 p. $3.75.

An American journalist's chatty account of his recent travels in Venezuela, Colombia, Panama, Ecuador, Peru and Bolivia.

PAZ, PERO JUSTICIA EN AMERICA. By Rafael H. Elizalde. Santiago (Chile): Author, 1938, 68 p.

An Ecuadorean writes on the Ecuador-Peru boundary disputes.

FINANÇAS BRASILEIRAS. By Mario de Andrade Ramos. Rio de Janeiro: Rodriguès, 1938.

An examination of industrial and agricultural credit, state intervention in economic affairs, banking and monetary problems, etc.

EL NAZISMO EN EL BRASIL. By Pedro Motta Lima and Jose Barboza Mello. Buenos Aires: Claridad, 1938, 220 p. Peso 1.

Two Brazilians, apparently in exile, after arraigning the government of Vargas as dictatorial, describe in detail the economic and political penetration of the totalitarian Powers into Brazil, the growth of indigenous Fascist movements, and the tie-up between the former and the latter. They regard the return of Aranha to office and the suppression of the abortive *coup d'état* in 1938 as hopeful signs for the future of democracy and national solidarity in Brazil.

JAPÓN EN LA ARGENTINA. By J. Rodríguez Goicoa. Buenos Aires: Unión Industrial Argentina, 1938, 215 p.

Facts and figures on Japanese-Argentine economic relations.

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ANTARCTIC

ANTARCTIC service. Communication from the President of the United States transmitting a proposed provision pertaining to appropriations for the Navy Department for the fiscal year 1940, to make available funds for chartering and commissioning the steamship "Bear" as a vessel of the United States Navy for the use of the Antarctic service. Washington, 1939. 2 p. 23 cm. (Sen. Doc. No. 116, 76th Cong., 1st Sess.)

ARMS TRAFFIC

INTERNATIONAL traffic in arms. Laws and regulations administered by the Secretary of State governing the international traffic in arms, ammunition, and implements of war and other munitions of war. Sixth edition. Washington, 1939, 37 p. 23½ cm. (Department of State Publication No. 1368.) 10c.

BALANCE OF PAYMENTS

THE BALANCE of international payments of the United States in 1938. Prepared in the Finance Division under the direction of Amos E. Taylor, Assistant Chief, with foreword by Harry L. Hopkins, Secretary of Commerce. Washington, 1939. viii, 92 p. 23½ cm. (U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Economic Series — No. 5.) 15c.

BUSINESS-CYCLE THEORIES

STATISTICAL testing of business-cycle theories. II. Business cycles in the United States of America 1919–1932. By J. Tinbergen. Geneva, 1939. 244 p., appendix. 24 cm. (League of Nations, Economic Intelligence Service, 1939.II.A.16.)

COLOMBIA

TRATADOS y convenios de Colombia. Colección hecha por Eduardo Guzmán Esponda. 1919–1938. Bogotá, Imprenta nacional, 1939. v, 1066 p. 24½ cm.

DANUBE RÉGIME

AGREEMENT relative to the entry of Germany into the European Commission of the Danube, the accession of Germany and Italy to the Sinaia arrangement of August 18, 1938, and the amendment of articles 4 and 23 of that arrangement. Bucharest, March 1, 1939. London, 1939. 7 p. 24½ cm. (Treaty Series No. 37 (1939), Cmd. 6068.) 2d.

ARRANGEMENT and final protocol relative to the exercise of the powers of the European commission of the Danube together with an agreement regarding the privileges and immunities of the personnel of the commission. Sinaia, August 18, 1938. London, 1939. 23 p. 24½ cm. (Treaty Series No. 38 (1939), Cmd. 6069.) 4d.

EUROPEAN WAR

DOCUMENTS concerning German-Polish relations and the outbreak of hostilities between Great Britain and Germany on September 3, 1939. London, 1939. xxviii, 195 p. 24½ cm. (Miscellaneous No. 9 (1939), Cmd. 6106.) 1s.

The text available in the United States is:

The British war blue book: documents concerning German-Polish relations and the outbreak of hostilities between Great Britain and Germany on Sept. 3, 1939. 251 p. New York, Farrar & Rinehart, 1939. $1.50.

Incorporated in the foregoing as Nos. 56, 60, 68, 74, 78, 81, 83, 87, 88, 89, 98, 99, 103, 104, is the following:

CORRESPONDENCE between H. M. Government in the United Kingdom and the German Government. August 1939. London, 1939. 20 p. 24½ cm. (Miscellaneous No. 8 (1939), Cmd. 6102.) 4d.

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URKUNDEN zur letzten Phase der deutsch-polnischen Krise. Berlin, Gedruckt in der Reichsdruckerei, 1939, 31 p. 29 cm. (Auswärtiges Amt).

The English version is:

DOCUMENTS concerning the last phase of the German-Polish Crisis. Berlin 1939. Printed by the Reichsdruckerei. 30 p. 29 cm. (Auswärtiges Amt).

AGREEMENT between the Government of the United Kingdom and the Polish Government regarding mutual assistance. London, August 25, 1939. London, 1939. 4 p. 24½ cm. (Poland No. 1 (1939), Cmd. 6101.) 1d.

An English version of the Franco-Polish protocol of mutual assistance appears in *Department of State Bulletin*, I, 312–313, September 30, 1939.

AGREEMENT between the Governments of the United Kingdom, France and Poland for a loan to Poland. London, September 7, 1939. London, 1939. 4 p. 24½ cm. (Treaty Series No. 43 (1939), Cmd. 6110.) 1d.

SPEECH by the Führer and Reich Chancellor Adolf Hitler on the Langer Markt in Danzig. Tuesday, 19th September, 1939. [? Berlin, 1939.] 16 p. 20½ cm.

FOREIGN AGENTS

AGENTS of foreign principals and of foreign governments. Laws and regulations administered by the Secretary of State governing the registration of agents of foreign principals and the notification of agents of foreign governments. Washington, 1939. v, 16 p. 23 cm. (Department of State Publication 1370.) 5c.

HOUSING

URBAN and rural housing. Geneva, 1939. xxxvi, 159 p. 24 cm. (League of Nations, Economic Intelligence Service, 1939.II.A.2.)

INDUSTRIAL MOBILIZATION

INDUSTRIAL mobilization plan, Revision of 1939. A study of methods for the effective and equitable utilization of the industrial resou ces of the United States in time of war. Approved jointly: Louis Johnson, Acting Secretary of War; Charles Edison, Acting Secretary of the Navy. Washington, 1939. iv, 18 p. 23 cm. (Sen. Doc. No. 134, 76th Cong., 2d Sess.)

INTELLECTUAL COÖPERATION

INTERNATIONAL committee on intellectual coöperation. Report by Professor G. de Reynold (rapporteur) on the work of the twenty-first plenary session of the committee. (Geneva, July 17–22, 1939.) Geneva, 1939. 48 p. 33 cm. (League of Nations, C.231.M.153.1939.XII.A.2.)

INTELLECTUAL coöperation organisation. Report of the Governing Body of the International Institute of Intellectual Coöperation. Geneva, 1939. 10 p. 33 cm. (League of Nations, C.224.M.152.1939.XII.A.1.)

INTERNATIONAL COÖPERATION

THE DEVELOPMENT of international coöperation in economic and social affairs. Report of the special committee. Geneva, 1939. 22, 1 p. Annex. 27 cm. (League of Nations, A.23.1939 and erratum. General.)

Proposes a committee made up of representatives of coöperating governments, members and non-members of the League of Nations, to supervise the present League committees.

LEAGUE OF NATIONS

AGENDA of the twentieth ordinary session of the Assembly which will open at Geneva on Monday, September 11, 1939, at 11 A.M., and supplementary list of items. Geneva, 1939. 7 p. 33 cm. (League of Nations, A.2(1).1939.1.(a).)

The date was advanced to December 4, 1939.

REPORT on the work of the League 1938/39. Geneva, 1939. 194 p. 24 cm. (League of Nations, A.6.1939.General.2.)

ANNEX to the Report on the work of the League for the year 1938/39 to the twentieth ordinary session of the Assembly of the League of Nations. RATIFICATION of agreements and conventions concluded under the auspices of the League of Nations. Twentieth list. Geneva, 1939. 144 p. 33 cm. (League of Nations, A.6.1939. Annex I. V.2.)

MANDATES

PERMANENT mandates commission. Minutes of the thirty-sixth session. Held at Geneva from June 8 to 29, 1939, including the report of the commission to the Council. Geneva, 1939. 289 p. 33 cm. (League of Nations, C.170.M.100.1939.VI.A.1.)

NAURU 1938. Report to the Council of the League of Nations from the Commonwealth of Australia. July 31, 1939. Canberra, 1939. $.50.

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NEW GUINEA from July 1, 1937 to June 30, 1938. Report to the Council of the League of Nations by the Commonwealth of Australia. July 31, 1939. Canberra, 1939. $1.75.

SOUTH WEST AFRICA 1938. Report presented by the Government of the Union of South Africa to the Council of the League of Nations. July 31, 1939. Pretoria, 1939. $2.00.

MILITARY MISSIONS

MILITARY mission. Agreement between the United States of America and Guatemala. Signed March 28, 1939; effective March 28, 1939. Washington, 1939. 6 p. 23½ cm. (Executive Agreement Series No. 155.) 5c.

MILITARY mission. Agreement between the United States of America and Nicaragua. Signed May 22, 1939. Washington, 1939. 6 p. 23½ cm. (Executive Agreement Series No. 156.) 5c.

NEUTRALITY

JOINT Resolution. Neutrality Act of 1939. Washington, 1939. 32 p. 28 cm. (At head of title: H. J. Res. 306, 76th Cong., 2d Sess. (Report No. 1155). In the Senate of the United States July 5, 1939, read twice and referred to the Committee on Foreign Relations. September 29, 1939, reported, under authority of the order of the Senate of September 28, 1939, by Mr. Pittman, with amendments.)

NEUTRALITY act of 1939. September 29, 1939. . . . Report to accompany H. J. Res. 306. 26 p. 23 cm. (Sen. Rpt. 1155, 76th Cong., 2d Sess.)

Amendments submitted by Senators Adams, Bridges, Brown, Burke, Clark, Connally, Danaher, Davis, Downey, George, Gillette, Johnson of Colorado, La Follette, Lodge, Lucas, McCarran, Nye, Pittman, Reynolds, Raft, Thomas of Utah, Tobey, Wagner and Walsh.

NEUTRALITY Act of 1939 . . . Conference report (to accompany H. J. Res. 306). November 3, 1939. Washington, 1939. 17 p. 23½ cm. (H. Rept. No. 1475, 76th Cong., 2d Sess.)

JOINT resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests. Approved, November 4, 1939, 12:04 P.M. Washington, 1939. 10 p. 23½ cm. (Pub. Res. No. 54, 76th Cong.)

NORTHERN COUNTRIES — ECONOMIC

THE NORTHERN Countries in world economy. Denmark-Finland-Iceland-Norway-Sweden. Second revised edition. Published by the Delegations for the Promotion of Economic Coöperation between the Northern Countries. [Finland, Otava Printing Office, 1939.] 6, 183 p., illus., map.

OPIUM TRAFFIC

ADVISORY committee on traffic in opium and other dangerous drugs. Report to the Council on the work of the twenty-fourth session. Held at Geneva from May 15 to June 12, 1939. Geneva, 1939. 37 p. 33 cm. (League of Nations, C.202.M.131.1939.XI.4.)

—— ANNUAL reports of governments on the traffic in opium and other dangerous drugs for the year 1937. I. Analytical study. II. General survey of the situation in regard to world manufacture and use of and trade in the principal drugs licitly manufactured in 1937. III. Synoptic statistical tables. Geneva, 1939. 90 p. 33 cm. (League of Nations, C.218.M.146.1939.XI.6.)

TRAFFIC in opium and other dangerous drugs for the year ended December 31, 1938. Report by the Government of the United States of America. Washington, 1939. v, 122 p. 23 cm. (U. S. Treasury Department, Bureau of Narcotics.) 20c.

REPORT of the Government of Hong Kong for the calendar year 1938 on the traffic in opium and other dangerous drugs. Hong Kong Prison, Stanley, 1939. 29 p. 25½ cm.

PALESTINE-SYRIA

AGREEMENT between Palestine and Syria and the Lebanon amending the agreement of February 2, 1926, regarding frontier questions, November 3, 1938. London, 1939. 5 p. 24½ cm. (Treaty Series No. 34 (1939), Cmd. 6065.) 1d.

PENAL QUESTIONS

PENAL and penitentiary questions. Report by the Secretary-General to the Assembly. Geneva, 1939. 29 p. 33 cm. (League of Nations, A.20.1939.IV.12.)

PRODUCTION, WORLD

WORLD production and prices 1938/39. Geneva, 1939. 113 p. 27 cm. (League of Nations, Economic Intelligence Service, 1939.II.A.17.)

REFUGEES AND RELIEF

INTERNATIONAL assistance to refugees. Report submitted to the twentieth ordinary session of the Assembly of the League of Nations by Sir Herbert Emerson, High Commissioner for Refugees. Geneva, 1939. 10 p. 33 cm. (League of Nations A.18.1939.XII.B.1.)

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—— Corrigendum to the report . . . Geneva, 1939. 1 p. roneo. 33 cm. (League of Nations, A.18.1939.XII.Corrigendum.B.1.)

—— Second corrigendum to the report . . . Geneva, 1939. 1 p. French-English. 33 cm. (League of Nations, A.18.1939.XII.Corrigendum.II.B.1.)

INTERNATIONAL relief union. Report on the activities of the executive committee from January 1 to December 31, 1938. Geneva, 1939. 7 p. 33 cm. (League of Nations, A.26.1939.XII.B.3.)

NANSEN international office for refugees (under the authority of the League of Nations). Report by M. Michael Hansson, former president of the governing body of the Nansen international office for refugees, on the activities of the Office from July 1 to December 31, 1938. Geneva, 1939. 2 p. 33 cm. (League of Nations, A.19.1939.XII.B.2.)

RURAL LIFE, EUROPEAN

EUROPEAN Conference on rural life 1939. Technical documentation. POPULATION and agriculture, with special reference to agricultural overpopulation. Contributions by the International Institute of Agriculture. (Document No. 1.) Geneva, 1939. 63 p. 24 cm. (League of Nations, European Conference on Rural Life 3.C.18.M.10.1939.Conf.E.V.R.6.)

—— —— The land tenure systems in Europe. Contributions by the International Institute of Agriculture. (Document No. 2.) Geneva, 1939. 71 p. 24 cm. (League of Nations, European Conference on Rural Life 4.C.19.M.11.1939.Conf.E.V.R.7.)

—— —— The capital and income of farms in Europe as they appear from the farm accounts for the years 1927–28 to 1934–35. Contributions by the International Institute of Agriculture. (Document No. 3.) Geneva, 1939. 106 p. 24 cm. (League of Nations, European Conference on Rural Life 5.C.20.M.12.1939.Conf.E.V.R.8.)

—— —— Land reclamation and improvement in Europe. Contributions by the International Institute of Agriculture. (Document No. 4.) Geneva, 1939. 51 p. 24 cm. (League of Nations, European Conference on Rural Life 6.C.21.M.13.1939.Conf.E.V.R.9.)

—— —— Conditions and improvement of crop production, stock-raising and rural industries. Contributions by the International Institute of Agriculture. (Document No. 5.) Geneva, 1939. 48 p. 24 cm. (League of Nations, European Conference on Rural Life 7.C.22.M.14.1939.Conf. E.V.R.10.)

—— —— Government action concerned with agricultural markets and production. Contributions by the International Institute of Agriculture. (Document No. 6.) Geneva, 1939. 44 p. 24 cm. (League of Nations, European Conference on Rural Life 8.C.23.M.15.1939.Conf.E.V.R.11.)

—— NATIONAL monographs drawn up by Governments. Lithuania. Geneva, 1939. 47 p. 24 cm. (League of Nations, European Conference on Rural Life 12.C.28.M.16.1939.Conf.E.V.R.12.)

—— —— The Netherlands. Geneva, 1939. 55 p. 24 cm. (League of Nations, European Conference on Rural Life 10.C.11.M.5.1939.Conf.E.V.R.4.)

—— —— Latvia. Geneva, 1939. 92 p. 24 cm. (League of Nations, European Conference on Rural Life 11.C.12.M.6.1939.Conf.E.V.R.5.)

—— —— Finland. Geneva, 1939. 59 p. 24 cm. (League of Nations, European Conference on Rural Life 1.C.508.M.348.1939.Conf.E.V.R.1.)

STATISTICAL ANNUALS

HUNGARY. Annuaire statistique hongrois, 1937. Budapest, Office Central Royal Hongrois de Statistique, 1939. 436 p.

JAPAN. The thirty-eighth financial and economic annual of Japan, 1938. Tokyo, Department of Finance [1939?]. 323 p., charts.

RUMANIA. Anuarul statistic al României, 1937 si 1938. Bucharest, Institutul Central de Statistica, 1939. 713 p. (In Rumanian and French.)

TURKEY. Annuaire statistique [Turkey], 1936–37. Ankara, Office Central de Statistique [1938?]. 481 p., charts. (In Turkish and French.)

UNITED STATES — EXECUTIVE POWERS

EXECUTIVE powers under national emergency. Letter from the Attorney General transmitting with reference to Senate Resolution No. 185, information as to extraordinary powers available to the President during a national emergency or state of war. 13 p. (Sen. Doc. No. 133, 76th Cong., 2d Sess.)

WOMEN

THE LAW and women's work. A contribution to the study of the status of women. Geneva, 1939. xii, 590 p. 24 cm. (International Labor Office, Studies and Reports. Series I (Employment of women and children) No. 4.)

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State of New York, County of New York, ss.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared F. D. Caruthers, Jr., who, having been duly sworn according to law, deposes and says that he is the Business Manager of FOREIGN AFFAIRS, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912 as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, to wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Council on Foreign Relations, Inc., 45 E. 65th St., New York City; Editor, Hamilton Fish Armstrong, 45 E. 65th St., New York City; Business Manager, F. D. Caruthers, Jr., 45 E. 65th St., New York City. 2. That the owners are: Council on Foreign Relations, Inc. (no stockholders — about 570 members); Pres., Norman H. Davis, 48 Wall St., New York City; V.-Pres., Edwin F. Gay, 45 E. 65th St., New York City; Sec'y, Allen W. Dulles, 48 Wall St., New York City; Treas., Whitney H. Shepardson, 52 Wall St., New York City. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: none. 4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

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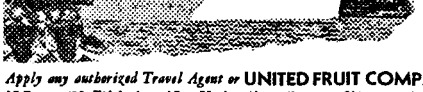

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